

1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE EASTERN DISTRICT OF TEXAS  
3 MARSHALL DIVISION  
4 INTELLECTUAL VENTURES I LLC ) (  
5 ) ( CIVIL ACTION NO.  
6 ) ( 2:17-CV-577-JRG  
7 VS. ) ( MARSHALL, TEXAS  
8 ) (  
9 T-MOBILE USA, INC., ET AL. ) ( JANUARY 3, 2019  
10 ) ( 10:11 A.M.

11 PRE-TRIAL HEARING  
12 BEFORE THE HONORABLE JUDGE RODNEY GILSTRAP  
13 UNITED STATES CHIEF DISTRICT JUDGE  
14

15 APPEARANCES:

16 FOR THE PLAINTIFF: (See Attorney Attendance Sheet docketed  
17 in minutes of this hearing.)

18 FOR THE DEFENDANTS: (See Attorney Attendance Sheet docketed  
19 in minutes of this hearing.)

20 COURT REPORTER: Shelly Holmes, CSR, TCRR  
21 Official Reporter  
22 United States District Court  
23 Eastern District of Texas  
24 Marshall Division  
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Marshall, Texas 75670  
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(Proceedings recorded by mechanical stenography, transcript  
produced on a CAT system.)

## I N D E X

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Court Reporter's Certificate

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1 COURT SECURITY OFFICER: All rise.

2 THE COURT: Be seated, please.

3 All right. This is the time set for pre-trial  
4 matters before the Court in the Intellectual Ventures I LLC  
5 versus T-Mobile USA, Inc., et al matter. This is Civil  
6 Case No. 2:17-CV-577.

7 The Court will call for announcements.

8 What says the Plaintiff?

9 MS. FAIR: Good morning, Your Honor. Andrea Fair  
10 on behalf of the Plaintiff. And here with me today we have  
11 Ms. Nisha Patel, Mr. Marty Black, Mr. Kevin Flannery,  
12 Mr. Joe Abraham, and, of course, Mr. Johnny Ward,  
13 Ms. Claire Henry, and Mr. Wes Hill. And we're ready to  
14 proceed.

15 THE COURT: All right. Thank you, counsel.

16 What's the announcement from Defendants?

17 MS. SMITH: Good morning, Your Honor. Melissa  
18 Smith on behalf of both Ericsson and T-Mobile. I am joined  
19 on the Ericsson side by Mr. Doug Kubehl, Mr. Jonathan  
20 Rubenstein, Mr. Jeff Becker, Mr. Jonathan -- Johnson  
21 Kuncheria, Mr. Bryan Parrish, Ms. Melissa Butler, Ms. Megan  
22 LaDriere, and in-house for Ericsson, Ms. Jennifer Wells and  
23 Mr. Ryan Wirtz.

24 On the T-Mobile side, I have Mr. Asim Bhansali.

25 And we're ready to proceed, Your Honor.

1 THE COURT: All right. Thank you.

2 All right. Counsel, as you know, this case is set  
3 for jury selection at 9:00 a.m. on Monday, February the  
4 4th.

5 Prior to jury selection that day, I'm going to  
6 instruct the clerk to play the FJC patent video for the  
7 venire panel.

8 You're going to have 30 minutes a side to address  
9 the venire panel as a part of the voir dire process.

10 As is typical in this court, your -- each side  
11 will be entitled to use up to three minutes of their 30  
12 minutes to give a very non-argumentative factual high-level  
13 overview of the case just so the panel has a bare bones  
14 understanding of what's at issue, no more, no less.

15 If I believe you've gone beyond that and become  
16 argumentative, I will let you know about that in front of  
17 the panel in a way that I don't think you want me to do, so  
18 don't get argumentative with the panel.

19 I'm going to seat eight jurors for this trial, and  
20 each side will be entitled to four peremptory challenges.  
21 We're going to begin the trial the same day immediately  
22 after jury selection.

23 Each side is going to be allocated 13 hours per  
24 side to put on their cases-in-chief, not including openings  
25 and closings. Each side will be given 30 minutes per side

1 for opening statements. Each side will be given 40 minutes  
2 per side for closing arguments.

3 The Court, as is typical, will be in chambers by  
4 7:30 each morning during the trial. It's my practice to  
5 bring the jury in at approximately 8:30. That intervening  
6 hour is there to resolve remaining disputes that have  
7 festered overnight and have not been otherwise resolved in  
8 the meet and confer process.

9 I have looked at the parties' stipulated trial  
10 management procedures document, Document 288. I find  
11 nothing objectionable in there, and I'll approve that.

12 Pursuant to that, you're to notify my staff not  
13 later than 10:30 each night as to -- regards any remaining  
14 disputes that have not been worked out through the meet and  
15 confer process.

16 One additional thing I'm going to require is that  
17 10:30 notification is not a stop on efforts to otherwise  
18 resolve disputes. I am anticipating, and, in fact, I'm  
19 directing that you continue your efforts to meet and confer  
20 and resolve and narrow your disputes even after you notify  
21 the Court at 10:30 where you are.

22 That -- with that in mind, I'm going to require  
23 that by 7:00 a.m. the next morning, you deliver a binder to  
24 chambers that lays out what has survived the overnight meet  
25 and confer process and is still live with supporting

1 documents for both Plaintiff and Defendants' positions on  
2 those remaining disputes.

3           Often I get a report at 10:30, and by 7:30 the  
4 next morning, the landscape has changed drastically and  
5 then I'm spending time getting ready to deal with disputes  
6 that are no longer at issue.

7           So to avoid that, if you'll bring me an up-to-date  
8 binder by 7:00 a.m. to chambers, I should know exactly  
9 what's still left and the posture it's in so that by 7:30  
10 when I meet with you, I'll have a -- a clear understanding  
11 and not waste any of my time on matters that have otherwise  
12 been worked out or resolved.

13           I'm going to deal with any objections regarding  
14 deposition designations on a rolling basis. Those need to  
15 be presented to the Court not later than the day before the  
16 day you plan to use them, so there's plenty of time to make  
17 any adjustments to the cuts without possibly delaying the  
18 trial.

19           As is my practice, I intend to take up any motions  
20 under Rule 50(a) from either party not at the close of the  
21 Plaintiff's case-in-chief but at the close of all the  
22 evidence after Plaintiff closes any rebuttal case. And  
23 I'll hear both Plaintiff and Defendants' motions under Rule  
24 50(a) at that point.

25           After I've heard motions under Rule 50(a), the

1 Court will conduct an informal charge conference in  
2 chambers where counsel for -- all counsel for both -- all  
3 parties are invited to participate in a casual and  
4 informative exchange of thoughts and ideas on areas within  
5 the then existing drafts of the charge and verdict where  
6 the parties are not in alignment.

7           After I've fully heard from and gotten input from  
8 both sides to that informal charge conference, I'll then  
9 generate what the Court believes should be the final charge  
10 and verdict form, provide it to counsel with an opportunity  
11 to review it, and then I'll conduct a formal charge  
12 conference on the record where either side can lodge any  
13 objections that they believe are required in the best  
14 interest of their clients.

15           During the trial, as is the Court's continuing  
16 practice, I'm instructing you that you not refer to any  
17 individual on the record before the jury by first name  
18 only. Reference to individuals by first name only is not  
19 in keeping with the requisite decorum for a United States  
20 District Court, and it is inherently confusing in the  
21 resulting record. So I'm instructing counsel not to do it.  
22 I'm instructing counsel to ensure your witnesses don't do  
23 it. And if your witnesses do it, then I'll hold counsel  
24 responsible.

25           I refer you to the Court's standing order posted

1 on my website regarding protection of proprietary or highly  
2 sensitive information through the sealing of the courtroom  
3 procedure. That's what I intend to use during this trial.

4 I would direct that you work diligently, where  
5 possible, to group any confidential information in your  
6 examination such that we can minimize the number of times  
7 that we have to seal and unseal the courtroom because there  
8 is a certain amount of disruption involved in that process.

9 Hopefully, we can avoid it being a light switch  
10 type on/off, on/off procedure. But that is the procedure  
11 pursuant to that standing order that I intend to use for  
12 purposes of protecting proprietary or confidential  
13 information.

14 That being said, I do not intend to use a  
15 post-trial redaction process for that purpose, and  
16 redactions after the trial related to the record are only  
17 for those limited areas of confidential information such as  
18 Social Security numbers and birth dates and other matters,  
19 and they are not for purposes of protecting proprietary or  
20 highly sensitive information. So don't have any confusion  
21 in that regard.

22 I assume we have not generated a juror  
23 questionnaire in this case yet. But both sides intend to  
24 use a juror questionnaire; is that correct?

25 MS. FAIR: Yes, Your Honor. We're in the process



1 of working one out right now.

2 MS. SMITH: Yes, Your Honor.

3 THE COURT: All right. Well, I'm confident that  
4 counsel, through local counsel, are aware of the Court's  
5 standing order on that, and I'll direct you to that, as  
6 well as to the implementation of that through the clerk's  
7 office.

8 I think there's a good chance we'll get through  
9 all the pre-trial matters today with the exception of  
10 exhibit disputes. I'll take up exhibit disputes as the  
11 last item in the pre-trial process because, quite honestly,  
12 those generally are narrowed by the earlier rulings, and  
13 that's the most efficient way to do it.

14 Assuming that we do not get through exhibit  
15 disputes and complete the pre-trial process today, I've  
16 reserved January the 30th -- Tuesday, January the 30th on  
17 my calendar for a second pre-trial in this case, beginning  
18 at 9:00 a.m. And my hope is that we get through everything  
19 but exhibit disputes and can bring you back for that, if  
20 necessary, but we will see. Anything we don't get to  
21 today, we'll take up on January the 30th.

22 The Court intends to pre-admit all exhibits in  
23 this case through the pre-trial process. That means I  
24 intend to hear and rule on all issues related to  
25 admissibility before the trial begins, and to begin the

1 trial with a fixed and finite universe of pre-admitted  
2 exhibits. Those items from that list of pre-admitted  
3 exhibits used before the jury and during the trial then  
4 become admitted exhibits and are a part of the record in  
5 the case. Those on the list of pre-admitted exhibits not  
6 used during the trial or before the jury remain  
7 pre-admitted and are not admitted exhibits in the case and  
8 are not a part of the record.

9           To keep a clear and accurate tally of what becomes  
10 admitted through its use before the jury from the list of  
11 pre-admitted exhibits and what remains merely pre-admitted,  
12 I intend to have counsel for each side, beginning on the  
13 second day of trial, go to the microphone -- go to the  
14 podium before I bring the jury in and read into the record  
15 those items from the list of pre-admitted exhibits that  
16 they have used during the preceding day's portion of the  
17 case.

18           And we'll do that on a rolling basis each day to  
19 keep up with what's been used from the list of pre-admitted  
20 exhibits and is an admitted exhibit in the case and a part  
21 of the record and what is not.

22           Obviously, you're to meet and confer on those  
23 matters before those renditions are offered into the record  
24 in case there are any questions of doubt or uncertainty.

25           In case I forget to mention it later, assuming we

1 do get through everything but the exhibit disputes, then  
2 prior to the second pre-trial hearing on January the 30th  
3 and by or before noon on Tuesday the 29th, you should file  
4 a notice with the Court -- a joint notice regarding  
5 outstanding exhibit objections where you can itemize what  
6 remains as far as exhibit disputes. And not only that, you  
7 can categorize, or as some lawyers call it, bucketize those  
8 disputes into groups so that targeted guidance from the  
9 Court can hopefully handle disputes on more than one  
10 exhibit at a time.

11           And just to be clear, I do not intend to reargue  
12 admissibility of exhibits during the trial. If it's not  
13 been offered and admitted through the pre-admission process  
14 that I've described, it's not appropriate to move its  
15 admission during the course of the trial.

16           Also, I'm directing that the parties jointly  
17 cooperate and prepare 10 juror notebooks for delivery to  
18 chambers not later than 3:00 o'clock on January the 28th.

19           Those juror notebooks should be what is typically  
20 used for trials of this nature in this court -- that is, an  
21 ordinary three-ring binder containing therein a complete  
22 copy of each of the patents-in-suit, containing therein a  
23 claim construction chart showing simply on a side-by-side  
24 basis the claim term that was construed by the Court and  
25 the corresponding to it the Court's adopted construction.

1 Nothing more, no analysis, no description from the claim  
2 construction order, simply the term as construed  
3 side-by-side with the adopted construction from the Court.

4 Also, you should include a single page for each  
5 witness in the case, either live or by deposition. Those  
6 witness pages should contain a head and shoulders  
7 photograph of the witness superimposed on top of the page  
8 with their name identifying them underneath the photograph.

9 Don't characterize the person. Dr. John Smith is  
10 fine. Dr. John Smith, Plaintiff's expert on damages, is  
11 not fine. So leave the characterization off, but put a  
12 complete name underneath the photograph. The remainder of  
13 those pages should be simply ruled lines for note taking.

14 Those witness pages should be individually tabbed  
15 in the notebooks. We often get trials with multiple  
16 witnesses and to save jurors flipping through pages, trying  
17 to find the right one for the right witness, I'd like a  
18 separate tab for each witness page that's inserted in those  
19 notebooks.

20 Also, at the rear of the notebooks -- at the back  
21 of the notebooks, please include a three-hole punched legal  
22 pad for additional note taking. And in the front pocket,  
23 insert a non-clicking ballpoint pen.

24 The Court recognizes that counsel in this case on  
25 both sides are experienced trial lawyers and both lead and

1 local counsel have tried cases in this court before, so I  
2 won't hit this too hard. But I think you all know that the  
3 Court considers objections that an expert witness has  
4 exceeded the scope of their expert report to be highly  
5 disruptive. When they're necessary, make them. But if I  
6 determine that they're being made for purposes of  
7 disruption to throw the other side off their tempo or  
8 rhythm or for any other non-meritorious purpose, I will  
9 impose a penalty.

10 I can't deal with those objections from the bench  
11 without sending the jury out of the courtroom, getting the  
12 report, going through it, and it takes time. It disrupts  
13 the trial. And while it may be necessary, and where  
14 necessary appropriate, it's not to be made without good  
15 cause.

16 And just be mindful that I'll be looking -- I have  
17 unfortunately had trials where those objections were made  
18 for other than substantive meritorious purposes, and I will  
19 be careful to ensure it doesn't happen in this trial. I  
20 don't think it will. I don't want to hit it too hard. But  
21 I want you to know I'll be mindful of that.

22 Also -- and I'm not prepared to give you specific  
23 guidance on this, but I'm assuming you're all aware of it  
24 and you've all looked at the Court's calendar. This is not  
25 the only case set for trial the week of February the 4th.

1 I'm working diligently to figure out what we're going to do  
2 and how we're going to do it.

3 At this point, you need to be prepared to go to  
4 trial on February the 4th. As we get closer, I may be able  
5 to give you more guidance about the other cases that are on  
6 the docket. There's a lot of effort going on in chambers  
7 to figure out how we handle what we have on our plate. But  
8 suffice it to say when I know more, you will know more, but  
9 right now you need to be prepared to go to trial February  
10 the 4th.

11 Are there questions from either Plaintiff or  
12 Defendant with regard to these housekeeping matters I've  
13 gone over with you about?

14 MR. BLACK: Just one question, Your Honor. With  
15 respect to deposition rulings on -- if we -- I think the  
16 first time that deposition excerpts could be played would  
17 be, say, Tuesday morning. I didn't understand when you  
18 would need the objections --

19 THE COURT: I need to hear about it not later than  
20 Monday.

21 MR. BLACK: Monday, okay.

22 THE COURT: I don't want to hear about it the day  
23 you're going to play it, and then we have to delay things  
24 because we've got to go re-cut the tape and -- it takes  
25 time. That's the main point -- that's the main point,

1 Mr. Black.

2 Any other questions?

3 Anything from Defendants?

4 MR. KUBEHL: No, Your Honor.

5 THE COURT: All right. All right. Then we'll  
6 turn to the pending motions before the Court that need to  
7 be taken up as a part of this pre-trial process. The  
8 Court's looked at the email communication from the parties  
9 as to their suggested order, and I don't have any  
10 objections or problems with that, so we'll follow that  
11 order in the matters that are set for argument today.

12 Consequently, we will begin with Defendants'  
13 motion for partial summary judgment of non-infringement  
14 regarding the '629 patent.

15 And I'll hear from the moving Defendants from the  
16 podium.

17 Let me just say before we go any further, we've  
18 got a roomful of lawyers. I anticipate I'll be hearing  
19 from multiple people today. Just so we keep the record  
20 straight, let's start everybody's presentation with an  
21 introduction in the record of who you are and then get into  
22 your actual argument so that we keep that straight each  
23 time you're at the podium.

24 Go ahead, Mr. Kubehl.

25 MR. KUBEHL: Good morning, Your Honor. May it

1 please the Court. Doug Kubehl on behalf of the Defendants.

2 The first motion we're taking up is Docket  
3 No. 205. It's the motion for partial summary judgment with  
4 respect to the '629 patent.

5 The '629 patent is the patent in this case that  
6 deals with a system that uses a series of transmission  
7 frames that are transmitted one after another to  
8 communicate information wirelessly. Those transmission  
9 frames are divided into slots.

10 And the patent addresses a method that determines  
11 which particular slots and which particular frames --  
12 packets in a series of packets will be assigned to.

13 May I approach with copies of my presentation,  
14 Your Honor?

15 THE COURT: You may.

16 MR. KUBEHL: What I'm showing on Slide No. 2 here  
17 of this presentation is a reproduction of Claim 1 in the  
18 '629 patent. It's the sole independent claim that's  
19 asserted in this patent.

20 Among the requirements in Claim 1 is what the  
21 parties have referred to as Step D. In Step D, there are  
22 two packets, and each packet is placed into a different  
23 slot in a different transmission frame. And in particular  
24 in Step D, the packets have to be placed into the slots in  
25 what's called an isochronous manner. That was a claim term



1 that Your Honor took up in claim construction and  
2 determined that it meant that the packets were placed at a  
3 consistent time interval with respect to one another.

4 Now, there's different ways that you can end up at  
5 the spot where you're now placing packets in an isochronous  
6 manner into slots in transmission frames. This claim  
7 covers one particular way, and the particular way covered  
8 in this claim uses the steps we've got outlined here in the  
9 claim. Starts with Step A where you apply a reservation  
10 algorithm.

11 It's not just applying any reservation algorithm.  
12 In this particular reservation algorithm in the step that  
13 the parties have called Step b, you reserve a first slot  
14 for a first packet in a future transmission frame.

15 In Step c, you reserve a second slot for a second  
16 data packet in a transmission frame that's subsequent in  
17 time to that future transmission frame.

18 This motion focuses on Elements b and c and the  
19 lack of a reservation of future frames -- in particular, a  
20 lack of reservation of multiple frames out into the future  
21 in the accused product.

22 So I want to start by talking about some of the  
23 undisputed facts with respect to the accused product. In  
24 the accused product the transmission frames are 10  
25 milliseconds long. Within each transmission frame, there

1 are 10 what are called transmission time intervals,  
2 sometimes called TTIs. Those are each one millisecond  
3 long.

4           The Plaintiff points to the TTI as the alleged  
5 slot in the claim. So it's undisputed that for each and  
6 every one of these transmission time intervals, as you go  
7 along in time in the accused products, for each of these  
8 TTIs, there's a scheduling competition that happens for  
9 which UE or UEs are going to get resources during that  
10 transmission time interval.

11           On Slide 3 here, we've got a citation to Exhibit 8  
12 from our 205 docket. It's IV's expert, Tim Williams, it's  
13 his deposition testimony, and it's at 139:24 through 140,  
14 Line 4. And he agrees that, yeah, within a a specific --  
15 within each specific TTI in the accused system there's  
16 going to be this scheduling competition that takes place.

17           IV has a second expert in the case. His name is  
18 Douglas Chrissan, and his job in the case was to look at  
19 the source code of the Defendants' devices and give a  
20 report on how he thought that source code worked. And he  
21 agreed, as well, that there's a scheduling competition that  
22 happens between the different UEs as to which UE or UE will  
23 get resources in a given TTI.

24           This slide, we've cited to Exhibit 9. It's  
25 Dr. Chrissan's testimony at Page 206, Line 13 to 207,

1 Line 9. He's asked if he agrees that there's a competition  
2 for resources that happens at each TTI.

3 He answers: If someone wanted to use that  
4 terminology, I wouldn't call it outlandish or incorrect.  
5 That's the purpose of a scheduler. A scheduler exists in  
6 something called a MAC where M in that word stands for  
7 medium, and medium is the resources that are allocated.  
8 And when you've got more people that want resources than  
9 you've got resources to give, this scheduling -- scheduler  
10 is conducting a competition to see which of those people or  
11 which of those UEs are going to get those resources.

12 In the next slide, Slide 5, I'm showing you a  
13 little bit more detail about what happens during this  
14 scheduling competition. So this is deposition testimony  
15 from IV's expert, Tim Williams. And we've got noted on the  
16 slide the source for that testimony.

17 But essentially, what he testifies to is that for  
18 each one of these transmission time intervals, you will be  
19 calculating what's called a scheduling weight, sometimes  
20 called an SD weight. This scheduling weight will be  
21 separate for each phone. So each phone is having a  
22 scheduling weight calculated for it. And you have to  
23 decide which phones have the highest scheduling weight to  
24 decide who gets resources in that TTI. And that happens  
25 every single TTI. Every single TTI you're calculating this

1 weight for all the different phones and deciding who's  
2 going to have an opportunity to get the resources.

3           What I'm showing you on Slide 6 is, first, some  
4 testimony from Dr. Chrissan who agrees, yes, these -- this  
5 happens -- every TTI, you calculate and you recalculate  
6 these things for every phone, every TTI.

7           The graph on the bottom of the slide is from  
8 Dr. Williams's report, and he's using that to illustrate  
9 the calculation of these weights. So what you're looking  
10 at there is along the horizontal axis, that's time. And so  
11 we've got illustrated, for example, at the base of the  
12 graph would be times zero, and out where it says "delay  
13 budget," we've -- we've said that's, for example, 80  
14 milliseconds. So between that 0 and 80 milliseconds,  
15 that's 80 different TTIs. That's 80 different scheduling  
16 competitions that will happen over that course of time.

17           And what's happening is that at time 0, this  
18 particular -- particular UE has a scheduling weight of --  
19 of zero. But over time, as more and more TTIs go along and  
20 that UE hasn't been granted resources, his weight gets  
21 higher and higher.

22           And that continues out until you get to this delay  
23 budget at 80 milliseconds. So at each point along the  
24 graph, this UE has a chance to get resources. At each one  
25 of those TTIs, that UE is in the competition and could be

1 granted resources.

2 But at no point in the graph is the UE guaranteed  
3 to get any resources. This is happening for multiple UEs  
4 at the same time. That's undisputed. And so each of --  
5 for each of these UEs, you've got this calculation going on  
6 as to at this snapshot in time what does their weight look  
7 like.

8 And so each of these UEs is competing with other  
9 UEs for access to resources during a given TTI.

10 So points to take away here, at each point in the  
11 graph the UE could get a scheduling grant and -- and does.  
12 There are times when UEs get grants along the whole  
13 spectrum of this line. And there's no point along this  
14 line where the UE is guaranteed to get anything.

15 And we see that, for example, on Slide 7. This is  
16 testimony from Dr. Chrissan, their technical expert who  
17 looked at the source code. He agrees it's not a hundred  
18 percent certain that in any given competition that it will  
19 result in including a given UE. That given UE may or may  
20 not get resources in a given TTI. There's nothing  
21 guaranteed.

22 On Slide 8, we show testimony from Dr. Chrissan  
23 where he agrees -- he's asked that: Is it true that the  
24 UEs that the base station selects are not known to the base  
25 station before that step occurs in each of those TTIs?

1           He says: The exact list of UEs that receive an  
2 uplink grant for a given TTI is not final until the end of  
3 the scheduling cycle.

4           So each TTI, you look at it anew. You've got  
5 several UEs that want access. One or more UEs will get  
6 access, but you don't know who that's going to be until  
7 that TTI. Undisputed facts.

8           THE COURT: I'm interested in getting down to  
9 where we do have disputed facts and see if we can --

10          MR. KUBEHL: And here's --

11          THE COURT: -- put it in context.

12          MR. KUBEHL: -- here's where we are, sir.

13          THE COURT: Okay.

14          MR. KUBEHL: So this is a -- a diagram that IV has  
15 put together in its briefing. And I want to start by  
16 giving us a little bit of context here. If you look at  
17 Slide 4, they're showing a timeline here. It goes from 0  
18 to 85 milliseconds.

19           All right. Again, undisputed. At each one of  
20 those TTIs along that time, there's going to be 85  
21 scheduling competitions, and phones can but don't have to  
22 get grants in any of those particular TTIs.

23           Their infringement theory relies on a situation,  
24 they say, okay, well, a phone could get a grant at 41  
25 milliseconds. And they say that's when the reservation

1 exists that we think in the claim would correspond to the  
2 first reservation.

3           Okay. Well, that phone has been competing all  
4 along up until 41. And it may or may not get a grant at  
5 41. In this particular case it did. And if it doesn't, it  
6 will -- it will still compete to try to get one later. But  
7 the point is no reservation exists here under their theory  
8 until time 41.

9           When we look at the second reservation that's  
10 required in the claim, they say that happens at time 81.  
11 And, again, undisputed that that reservation doesn't exist  
12 until time 81.

13           So their theory is that -- remember that in the  
14 claim -- and it's most important in Step c. Step c in the  
15 claim, you've got to reserve a pack -- you've got to  
16 reserve a slot for a second packet in a transmission frame  
17 that's subsequent in time to the future frame. So not just  
18 in the future but further in the future than the future  
19 frame.

20           And so what we show here is that at 41  
21 milliseconds, they say, well, that's what we say is the  
22 future frame. And in green at 81 milliseconds, they say,  
23 that's our -- that's our slot that's further in the future  
24 than the future frame. And they say: We would meet this  
25 claim because if you look at -- I'm on Slide 14 here

1 actually. If you look at time 36, they say: Well, for  
2 that reservation that ends up happening at 81, that's  
3 actually a process that starts back at time 36.

4 So their theory is since there's this process that  
5 starts back at 36 and since at that time frame,  $n+3$ , which  
6 is what they're calling the future frame, since that's in  
7 the future relative to when that process began, and since  
8 frame  $n+7$ , what they're calling the frame that's even  
9 further in the future than the future frame, since that's  
10 further in the future than  $n+3$ , which is still a future  
11 frame, they're saying there's our infringement theory.

12 The big problem for that is that it's undisputed  
13 that at time 36, there is no reservation for that slot  $n+7$ .  
14 Any UE could get that slot in the future. It's a  
15 competition. There will be competitions that are held for  
16 every one of those TTIs.

17 In this one, it happened that this UE got a  
18 reservation at 81, but it's undisputed -- and, again, this  
19 is Exhibit 8, Williams's deposition testimony, Page 134  
20 through 5 -- 5 through 7, that that reservation that he's  
21 relying on, that that's not made until time 81.

22 So this reservation that he's supposed to be  
23 making, that's for a frame that's supposed to be even  
24 further in the future than what is the future frame. He's  
25 making that at a time that he admits is at a time when his



1 supposed future frame has already been transmitted.

2 So we show that at -- at Slide 15.

3 So if you look at what's the frame that he says is  
4 the future frame in Element c, he says it's Frame n+3.

5 Okay. When is the -- when is the reservation for the next  
6 frame in Element c made?

7 He says: That happens at time 81.

8 All right. Well, at time 81, it's undisputed that  
9 what he calls the future frame, n+3, that's already been  
10 transmitted. That's in the past. It's not a future frame.

11 So while the claim requires making a second  
12 reservation to a transmission frame that's subsequent in  
13 time to the future frame, all he's showing is an alleged  
14 reservation to a frame that's subsequent in time to what is  
15 a past frame. And that's not what this claim requires.

16 And for that reason, we think summary judgment  
17 should enter.

18 THE COURT: All right. Before I hear from  
19 Plaintiff, let me ask this question.

20 Respond to the counter point, Mr. Kubehl, that  
21 your argument boils down to you can't have a future event  
22 because by the time you get to it, it's no longer a future  
23 event, it's a current event.

24 So even though it was a future event earlier, by  
25 the time it occurs, it's a current event, no longer a

1 future event, and, therefore, you don't meet the  
2 requirements of the claim.

3 MR. KUBEHL: So there's -- there's --

4 THE COURT: It sounds like linguistics and  
5 semantics to me. Why is it substantively important?

6 MR. KUBEHL: Sure. There are -- there are two  
7 non-infringement arguments addressed in this motion, and  
8 the one you're addressing is with respect to Claim 1(b).

9 Claim 1(b) requires that it has to be a future  
10 frame, and our argument is that the thing they're pointing  
11 to as a supposed future frame, it's actually what the  
12 patent would call the current frame. And I can explain  
13 that to Your Honor if you'd like.

14 But that's the one that you're characterizing as  
15 more of a linguistic challenge.

16 The one I'm showing you here is the separate  
17 argument on 1(c) where I don't think it's even close.

18 There isn't an argument here. Everybody agrees  
19 that in Step 1(c), it has to be not only a future frame, it  
20 has to be in the future relative to another future frame,  
21 right? So I'm at some point in time, and I have to point  
22 at something as my supposed future frame. And then I have  
23 to point to something that's subsequent in time to that  
24 that I'm making the reservation for. And that's where I  
25 don't think it's even close here because what they're

1 pointing to here is they're saying, okay, what I'm pointing  
2 to is Frame  $n+3$  as my future frame. And they say the  
3 reason that's a future frame is because if you look at time  
4 36, that's when the reservation process starts for what  
5 ultimately will be reserved at 81, right?

6 And so they're saying so I meet that claim because  
7 at least technically,  $n+3$  is still a future frame at that  
8 point.

9 But it falls apart for them when they have to come  
10 to grips with there's no reservation that happens between  
11 36 and 81. Their own guy says: The reservation happens  
12 only at 81. Up until 81, it's a competition. Other phones  
13 can get -- get that slot. This phone might get a slot  
14 before that. It might get a slot after. It happened to  
15 get one at 81 at this point. However it happened, their  
16 guy acknowledges that reservation does not exist until time  
17 81. That's undisputed.

18 So it's not a matter of linguistics. Everybody  
19 agrees you have to show me a future frame and a frame  
20 that's even further in the future from that frame. And you  
21 have to show me how a reservation was made when the first  
22 frame was a future frame, and there's something even  
23 further in the future. Everybody agrees on that.

24 And based on the undisputed facts, that doesn't  
25 happen here. The thing they're pointing to is a

1 reservation that isn't made -- it isn't completed, it  
2 doesn't exist until after what they're calling the future  
3 frame has already been transmitted.

4 THE COURT: All right. I think that -- that  
5 clarifies that point for me.

6 Let me hear a response from Plaintiff.

7 MR. BLACK: Thank you, Your Honor. Martin Black  
8 for Plaintiff.

9 THE COURT: Go ahead, Mr. Black.

10 MR. BLACK: Thank you, Your Honor.

11 Turn to the ELMO. Thank you.

12 This is a motion for summary judgment. The  
13 standard, of course, is that there must be no genuine issue  
14 of material fact at trial. There must be a missing claim  
15 element.

16 There are two types of disputes we have in patent  
17 cases. One is you can have a dispute about the underlying  
18 facts about the operation of the system. And the other is  
19 you can have a dispute between the experts as to the  
20 application of the claim term under a proper claim  
21 construction to those facts.

22 Here we actually have both issues in dispute.

23 Their basic argument is that there is something  
24 they call a, quote, scheduling competition every TTI, every  
25 millisecond, and that that somehow means that they do not

1 infringe.

2           Of course, the claim does not have the words  
3 "scheduling competition" in it. There's been no  
4 construction here that includes the use of a scheduling  
5 competition.

6           And, in fact, what they're calling a competition,  
7 they're calling it that so that they can try to persuade  
8 you now, Your Honor -- and when we get to the jury, this is  
9 going to be a very severe problem throughout the trial, I  
10 predict, because they are not going to talk about the claim  
11 language that requires isochronous treatment. That means  
12 same placement in every frame. If the frames are 10  
13 milliseconds long, then the packet gets Slot 2, the  
14 first -- the first time through, then actually Slot 42 on  
15 the fourth th frame and Slot 82 in the eighth frame.  
16 That's isochronous. The periodic interval is the same.

17           They're going to argue, oh, that doesn't happen  
18 because there's a scheduling competition, implying that  
19 it's random. But that's not true. The facts are  
20 different.

21           During the course of the discovery in the case,  
22 and, in fact, in the expert rebuttal report that they  
23 provided, they ran a simulation with parameters that were  
24 favorable to Ericsson. At Ericsson's headquarters, they  
25 ran this simulation. And what it showed -- I'm going to

1 put this up here -- is that the, quote, scheduling  
2 competition which they imply results in randomization  
3 actually results in extraordinarily regularity in the  
4 transmission path.

5           What this chart shows -- this is -- if you look on  
6 the right side, that's accumulative distribution from 0 to  
7 a hundred percent, so at by around 40 milliseconds, reading  
8 along the bottom, what you have is about 5 percent of the  
9 packets have arrived between 0 and 40 milliseconds apart.  
10 Then there's a huge spike right at 40 milliseconds. Why?  
11 Because about 70 percent of the packets are delivered  
12 exactly 40 milliseconds apart in an isochronous fashion,  
13 exactly.

14           And the rest of the packets on the far right, they  
15 have almost no packets delivered between 40 milliseconds  
16 and 160 milliseconds apart, and then another bunch at the  
17 end that are exactly 160 milliseconds. Again, isochronous  
18 treatment.

19           So rather than having a scheduling competition,  
20 which is going to be incredibly misleading for the jury,  
21 there is actually regularity built into the system. It is  
22 not dynamic scheduling. It's not a scheduling competition.  
23 It is DBS/SABE algorithm which they built to make this  
24 happen and to provide regularity to the transmission.

25           Now, our expert provided two opinions. The first

1 was by invoking the SABE algorithm, you start a process  
2 which results in the packets arriving on time every 40  
3 milliseconds or every 160 milliseconds, which is  
4 isochronous.

5           The act of invoking the reservation algorithm,  
6 which is in the claim, results in isochronous treatment.  
7 That is itself the placing of a reservation into the  
8 system. It's a bit like saying I have a standing order for  
9 a table at a favorite restaurant at 7:00 o'clock every  
10 Sunday night. That's a reservation over a long period of  
11 time. I don't have to say anything more than that.

12           Now, it might happen that somebody else takes the  
13 table or I'm on vacation, that gets overruled. But it's  
14 not a random scheduling competition every time, every  
15 millisecond.

16           So we have a dispute about the operation of the  
17 system. That alone precludes summary judgment. We don't  
18 agree with their contention that there's a scheduling  
19 competition.

20           Second, there's the application of the claim  
21 language to the system itself. And here the experts  
22 differ. Our expert went further. He also said in addition  
23 to invoking the algorithm, there's also infringement  
24 because when I look individually at the software, what I  
25 see is that there is a reservation which begins at one time

1 and then results in the transmission of a packet at a  
2 second time, and he says that second time is the future  
3 frame.

4           They say that's the current frame. We're going to  
5 have a dispute about which frame to the experts is current  
6 or future, but that's something that's going to have to be  
7 sorted out at trial.

8           Then we have a second transmission at a much later  
9 time which I believe everybody agrees is a second  
10 transmission would satisfy the claim.

11           But the main point is, this is a motion for  
12 summary judgment. They can only prevail if it -- if the  
13 unmistakable evidence in the record, the uncontradicted  
14 facts show that there's no genuine issue for trial.

15           We have a classic dispute about the experts.  
16 We're going to have a, I'm afraid, difficult problem at  
17 trial with them talking about a scheduling competition  
18 which is no part of the claim here, and there's going to be  
19 some -- a lot of concern about that we're going to see in  
20 later motions today, I believe.

21           But the bottom line is we have two experts who  
22 disagree about the application of the claim language, and  
23 it's not an appropriate case for summary judgment.

24           THE COURT: All right. Thank you, counsel.

25           Mr. Kubehl, do you have a brief follow-up?



1 MR. KUBEHL: I do.

2 THE COURT: Please make it brief.

3 MR. KUBEHL: Your Honor, I focus you in my  
4 argument on Step Claim 1(c), and I showed you that there is  
5 no fact dispute, that that claim element was not met.

6 What you just heard was an argument first about  
7 Element 1(d). Are -- are packets placed isochronously?

8 Are they or are they not placed isochronously?  
9 That's a separate claim step, 1(d). There's -- whether or  
10 not packets are placed isochronously in the system is not  
11 the issue in this -- in this motion. This motion is how  
12 are the packets placed? How did you decide where to place  
13 the packets? Did you reserve future slots like the claim  
14 requires.

15 The second argument you heard was an argument  
16 about Claim Step 1(b), about current slots versus future  
17 slots, one that you characterized as more linguistically  
18 challenging. We didn't hear a word about Element 1(c).  
19 That's the one that undeniably is missing here, and summary  
20 judgment should issue based on it.

21 THE COURT: All right. Thank you for your  
22 argument, counsel. I have considered your briefing in  
23 advance of the hearing today. In considering the briefing  
24 and the argument that I've heard, the Court's persuaded  
25 that this is not a situation appropriate for summary

1 judgment, and I'm going to deny the Defendants' motion for  
2 partial summary judgment in this particular.

3 Next let's take up the Defendants' motion for  
4 partial summary judgment of non-infringement on the '517  
5 patent. This is Document 206.

6 Let me hear from the moving Defendants, please.

7 MR. KUBEHL: Your Honor, may I approach with  
8 slides?

9 THE COURT: You may. Proceed when you're ready,  
10 counsel.

11 MR. KUBEHL: Thank you, Your Honor.

12 There was a claim construction dispute in the '517  
13 patent, and it dealt with what I'm showing you on Slide 2.  
14 There's language early in the claim that talks about  
15 analyzing contents of packets to be communicated over the  
16 shared wireless bandwidth in a downlink direction.

17 Later in the claim, there is an allocation that  
18 has to be made based on the analyzed contents. The  
19 Defendants in claim construction argued that the analyzed  
20 contents had to be the contents of the same packet that was  
21 to be communicated over the shared wireless bandwidth from  
22 the base station to the CPE station. That was disputed.

23 Your Honor accepted Defendants' construction in  
24 that regard, found that as a matter of antecedent basis  
25 that the analyzed contents recited later in the claim must

1 be the same packets that are -- the same packets that are  
2 communicated wirelessly from the base station to the CPE.

3           So whatever packet it is that you're going to rely  
4 on in this claim from an infringement standpoint as being  
5 the one that is communicated wirelessly from the base  
6 station to the CPE station, that's the packet whose  
7 contents must be analyzed in this claim.

8           They have two theories of infringement. The first  
9 one they call the TEID theory. What I'm showing you on  
10 Slide 3 here is kind of a network diagram of different  
11 elements in the network.

12           On the far left, there's an element called a UE.  
13 That's the one that they say is the CPE station. There's  
14 an element to the right of that called the eNodeB. That's  
15 the element that they say is the base station in the claim.  
16 And in these systems, there will be an IP packet that is  
17 transmitted from the eNodeB to the UE.

18           Now, that IP packet originally is received in the  
19 network at an element called the PDN Gateway on the far  
20 right. We're showing that here with the No. 1, the IP  
21 packet coming in from the right to the PDN Gateway.

22           The PDN Gateway takes that packet, and it appends  
23 to the packet -- a header called the GTP-U header. And it  
24 forms this GTP packet that has the GTP-U header, and it has  
25 the original IP packet as payload.

1           And that original IP packet is sometimes referred  
2 to as the T-PDU. So that GTP packet is communicated  
3 eventually to the base station, and we're showing that by  
4 Element No. 3 here. And at the base station, the GTP  
5 header is examined. The IP packet that gets sent from the  
6 base station to the UE is never examined. That's  
7 undisputed. What gets examined is the GTP header that got  
8 put on to that packet.

9           So you've got a situation where the packet that's  
10 communicated wirelessly from the alleged base station to  
11 the alleged CPE is this IP packet shown at No. 4 and going  
12 to No. 5. And the undisputed evidence is that no part of  
13 that packet is analyzed in this TEID theory.

14           Instead, what's analyzed is a GTP header that is  
15 never to be communicated wirelessly from a base station to  
16 a UE. It's a header that's appended on to the IP packet  
17 that will be communicated wirelessly. The IP packet is  
18 never looked at. Only this header is looked at, which is  
19 never to be communicated wirelessly to any UE.

20           And so for that reason, because the packet that is  
21 to be communicated wirelessly, which is that IP packet,  
22 because it's undisputed that the contents of that packet  
23 are never analyzed, never looked at under this TEID theory,  
24 there's non-infringement as a matter of law under the  
25 Court's claim construction. So that's the -- that's the

1 TEID theory.

2           They offer a second theory called the RoHC theory.  
3 RoHC stands for robust header compression. And what I'm  
4 showing you on Slide 5 is from their expert reports. This  
5 is their expert's theory on why under this RoHC theory he  
6 believes there would be infringement. And specific --  
7 specifically, he says because the scheduler allocates  
8 bandwidth based in part on a PQ buffer size, and that PQ  
9 buffer size is influenced by whether or not a header is  
10 compressed, and that would meet the claim language. And we  
11 believe he's wrong about that.

12           So with robust header compression, headers are  
13 compressed which reduces the size of the packet, and  
14 multiple packets with compressed headers are put into  
15 buffers.

16           The scheduler gets information about the overall  
17 buffer size, not information about any particular packet,  
18 not information about the size of any particular packet,  
19 not information about the contents of any packet, just  
20 information about the overall size of a buffer.

21           And Dr. Williams says: Well, if you allocate  
22 based on the buffer size, then I think that's infringement.

23           Well, it's undisputed that the things I just ran  
24 through for you, that the buffer size doesn't give you  
25 anything about what's in the packets. That's undisputed.

1 We show that on our Slide 6 and make reference to Exhibit 5  
2 from our motion for that support. Undisputed. That  
3 doesn't tell you anything about the contents of the  
4 packets.

5 And so what they've done now in their sur-reply is  
6 come back and said: Well, actually we're not asserting  
7 that the claim contents are satisfied by the buffer size.  
8 That's not our theory. We're actually saying our theory is  
9 that the contents are the actual IP addresses themselves.  
10 That's what the contents are.

11 That theory -- that theory is not expressed in  
12 their expert report. What's expressed in their expert  
13 report is that you do it based on the buffer size -- and  
14 I'm showing you on Slide 8. He says you do it based on the  
15 buffer size. And, in particular, that's based on  
16 compression of the analyzed original IP address in the  
17 packet, not based on an analysis of what's in those  
18 packets, not based on any analysis of packets. It's based  
19 on the fact that IP addresses were compressed which reduced  
20 size.

21 And when they got put into a buffer with other  
22 packets, changed the ultimate buffer size. That's his  
23 theory. He doesn't have any theory that IP packets are  
24 analyzed and that that analyzed content is then used for  
25 making a scheduling decision.

1           So we see what's in his report. We see what his  
2 theory is. It comes down to he's saying that information  
3 external to the packet is what he would characterize as  
4 information that's supposed to be contents of the packet,  
5 information about the size of the packet, the resulting  
6 size after compression. That's all information. That's  
7 not the content of the packet. It's information that's  
8 external to the packet.

9           And during prosecution, our briefing pointed out  
10 that they were faced with prior art that was using  
11 information that was external to a packet. There's  
12 information about the size of a packet that wasn't taken  
13 out of the packet itself. It was gleaned from another  
14 source, and it was information about the packet that was  
15 external to the packet. And they argued to the Patent  
16 Office, well, that's not analyzing the contents of the  
17 packets. That's not doing an allocation based on the  
18 analysis of contents. You're using something outside of  
19 the packet. And that's exactly what their theory is doing  
20 here.

21           THE COURT: Isn't -- isn't the argument, though,  
22 about what is contents and what it isn't contents and  
23 what's inside the packet and what's outside the packet?

24           Aren't those classic factual questions that would  
25 not put this in a posture where it would be appropriate for

1 summary judgment?

2 MR. KUBEHL: I think it's undisputed that the size  
3 of the -- the size of the buffer is outside of the packet.  
4 I don't think that's a disputed fact at all. I think it's  
5 undisputed that the fact that a header was compressed and  
6 resulted in a reduction in size is outside of the packet.  
7 Those are not contents of the packet. And I don't think  
8 that's disputed.

9 Their theory now is that the content of the  
10 packet, the thing that it is inside the packet is that IP  
11 address. And an IP address is a content of a packet  
12 certainly, but there's no theory expressed by their guy  
13 that there's an analysis of that content of that packet and  
14 that that analysis then is used to allocate.

15 Instead, they point to their expert saying, you  
16 look at the buffer size and the buffer size is influenced  
17 by the fact that there was a compression of the address.  
18 He doesn't express a theory that there's some analysis of  
19 the IP address and that analysis drives the allocation.  
20 That's lawyer argument that they're making today to avoid  
21 summary judgment.

22 THE COURT: All right. Let me hear a response  
23 from Plaintiff.

24 MS. PATEL: May it please the Court. My name is  
25 Nisha Patel on behalf of Plaintiff.



1           Your Honor, may I please approach to provide my  
2 slides to the Court?

3           THE COURT:   You may.

4           MS. PATEL:   Thank you.

5           THE COURT:   Proceed when you're ready, Ms. Patel.

6           MS. PATEL:   Thank you, Your Honor.

7           IV's theories of infringement under both TEID  
8 theory and the RoHC theory satisfy each element of the  
9 asserted claims.

10           Your Honor, Defendants' motion should be denied  
11 here because various issues of material fact remain as to  
12 how the underlying technology operates, and those -- those  
13 facts are in dispute by the experts in this case. These  
14 are quintessential facts that should go to a jury to weigh  
15 the evidence on both sides.

16           With regard to IV's TEID theory, which I will  
17 address first, IV has met its burden of establishing that  
18 this function meets Elements 1(a) and 12(a) literally, as  
19 well as under D -- DOE.

20           Defendants' arguments are based on a  
21 mischaracterization of IV's theory, and, in particular,  
22 what IV is reading as the particular packet and what IV is  
23 reading on as the content of that packet.

24           To clarify for the Court, I'd like to go through  
25 just briefly what IV's TEID theory is.

1 THE COURT: All right.

2 MS. PATEL: The data that is to be sent in the  
3 downlink direction originates at some source -- for  
4 example, the Internet or another UE. It comes into the  
5 telecom network as IP data in the form of an IP packet.  
6 That IP packet is sent to various other components  
7 throughout the network for additional processing -- for  
8 example, the P-GW and the S-GW.

9 These components process the IP packets further,  
10 and include important information within that packet, and  
11 then further envelope it with this information called a GTP  
12 packet.

13 Now, the GTP packet includes its own header, the  
14 GTP header, and a payload which includes the original IP  
15 packet.

16 Now, after processing at the S-GW and the P-GW,  
17 the -- these components transfer the entire GTP packet to  
18 the accused eNodeB in the system. Once the GTP packet  
19 arrives at the eNodeB, it examines the GTP header, and, in  
20 particular, the TEID header information.

21 The eNodeB has a table. And based on that table,  
22 which include different types of traffic, the eNodeB takes  
23 the TEID information from the header of the GTP packet and  
24 it determines which bearer to map this packet to based on  
25 the contents of the packet, in particular, the type of data

1 that's being transmitted within -- within the packet. The  
2 table informs the eNodeB of which bearer which is  
3 associated with -- with certain types of quality of service  
4 requirements to transmit the packet on.

5 Now, once the eNodeB analyzes this TEID header and  
6 in essence analyzes the contents of the packets, that is  
7 the data that is to be transmitted, the eNodeB then  
8 discards the TEID because it's been used for allocation  
9 purposes at that point. The eNodeB then places the  
10 packet -- the entire GTP packet, without the TEID header  
11 information, into a buffer associated with the bearer so  
12 that it can ultimately be transmitted in the downlink  
13 direction.

14 Now, there are several questions of material fact  
15 that remain with regards to the '517 infringement theories.

16 The first is whether or not a person having  
17 ordinary skill in the art would consider the GTP packet  
18 received at the eNodeB to be a packet.

19 Defendants' argument completely mischaracterizes  
20 IV's theory and focuses only on the T-PDU or the original  
21 IP packet, but it's IV's theory that the entire GTP packet  
22 is a packet. And that's a question of material fact, Your  
23 Honor.

24 It seems, based off of Defendants' argument, that  
25 they're saying that the G-PDU is only a data unit, it's not

1 a packet, but IV's expert has provided a well-reasoned  
2 rationale in his report as to why the GTP packet is, in  
3 fact, a packet. At the very least, this is a factual  
4 dispute that should certainly go to the jury.

5 But there's another question of material fact,  
6 Your Honor, and that is would a person of ordinary skill in  
7 the art consider the TEID header information to be part of  
8 the GTP packet.

9 The question here is: What are the contents of  
10 the packet? This is, again, a question of material fact  
11 that both experts have opined on. IV has provided expert  
12 testimony that the TEID header information is indeed part  
13 of the header information of the GTP packet. And certainly  
14 the parties have, it seems, agreed at least during claim  
15 construction that a packet includes both header information  
16 and payload information.

17 Again, Your Honor, this is a question of material  
18 fact that should certainly go to the jury.

19 This leads me to my -- the third question of  
20 material fact, which is would a person of ordinary skill in  
21 the art consider the GTP packet to be communicated in one  
22 part of its header, in this case the TEID information, to  
23 be removed before downlink transmission.

24 Now, if you look at the actual language of Claim  
25 1, Step a, it reads: Analyzing contents of packets to be

1 communicated. The claim does not require communication of  
2 the entire packet -- packet content, including all of the  
3 header information. The communication of the payload is  
4 what is of primary importance.

5 And Defendants' own expert stated that if one  
6 wants to send data, it needs to send it -- it needs to  
7 place this data into the information payload field of one  
8 or more IP packets.

9 And, importantly, also, Your Honor, is whether the  
10 TEID is sent is -- is really inconsequential because the  
11 TEID informs the eNodeB of the traffic type contained in  
12 the GTP packet payload. So even if the TEID is removed,  
13 the data traffic with the -- which the eNodeB analyzes by  
14 way of the TEID information is still transmitted to the  
15 destination UE.

16 The real substance of the packet, Your Honor, is  
17 its payload, and there is no dispute that the eNodeB  
18 transmits the GTP payload wirelessly in the downlink  
19 direction.

20 Defendants' argument in this case, Your Honor, is  
21 based on a philosophical and factual debate about whether  
22 or not a packet is still a packet if its header is removed,  
23 and this is a fact tied to the operation of the technology,  
24 and it is, again, a quintessential question that should go  
25 to the jury.

1 THE COURT: All right. Thank you.

2 MS. PATEL: Your Honor, would you like me to  
3 address the RoHC theory?

4 THE COURT: Yes. Yes, let's move on to that.

5 MS. PATEL: Okay. With regards to the RoH  
6 theory -- RoHC theory, Your Honor, IV has also met its  
7 burden of establishing that that function meets Elements  
8 1(d) and 12(d) literally, as well as under DOE.

9 But the dispute concerning that theory is really  
10 tied to, again, Defendants' mischaracterization of IV's  
11 theory.

12 Before I get into the dispute, I'd like to clarify  
13 for the Court IV's theory as it has been from the beginning  
14 and as IV's expert has opined to in this case.

15 After the base station maps the TEID in the packet  
16 header to a bearer, it checks whether the bearer has RoHC  
17 enabled. And if it does have RoHC enabled, what it does is  
18 it analyzes the original IP address that's within the  
19 original IP packet and within the payload of the GTP  
20 packet. And based on analysis of the IP address, if  
21 certain conditions are met, the eNodeB then compresses the  
22 packet and particularly compresses the original IP address  
23 before it's placed into the buffer associated with the  
24 bearer.

25 The base station that allocates resources based on

1 its analysis of that IP address, after compressing the IP  
2 address, the eNodeBs, like I said, place that compressed  
3 packet into the PQ buffer, and the PQ buffer varies  
4 depending on the size of the packets within it and, in  
5 particular, whether the RoHC function compressed the IP  
6 address.

7 And the eNodeB allocates in part based upon the PQ  
8 buffer size, but because the eNodeB allocates in part based  
9 on the PQ buffer device, the eNodeB is also allocating  
10 based on the compression itself.

11 Now, Defendants argue that IV does not assert --  
12 that IV asserts that the contents here are the buffer size.  
13 That's a complete mischaracterization of IV's theory. We  
14 contend that the contents are met by the original IP  
15 address. Unlike what Defendants argue, this is not the --  
16 the sur-reply is not the first time in which IV has pursued  
17 this theory. It is throughout Defendants' expert's report  
18 in this case. Various aspects including, for example, in  
19 Paragraph 83 of Dr. Williams's expert report in this case,  
20 the analysis of the original IP address based off of that,  
21 the eNodeB decides, Your Honor, whether to and how to  
22 compress the IP packet which directly impacts the  
23 allocation.

24 In telecom networks in general, Your Honor, com --  
25 the entire point of compression is to efficiently allocate

1 bandwidth resources amongst various UEs and for the system.

2           Moreover, Defendants argue that, you know, IV has,  
3 through prosecution history, disavowed certain claim scope.  
4 But that argument is also completely irrelevant because IV  
5 does not read contents on buffer size, like I previously  
6 said, but rather on the original IP address. And both are  
7 literal and DE -- DOE arguments.

8           Moreover, estoppel should not -- should not apply  
9 here because Defendants' claim -- Defendants' arguments are  
10 based on prosecution history art statements relating to  
11 completely different claims.

12           The '622 claims, which Defendants point to in this  
13 case, had claims reading allocating based on contents of  
14 packets. The '517 claims require allocating based on the  
15 analyzed contents. It's completely different terms with  
16 different meanings and different significance. The word  
17 "analyzed" adds a lot to the claims, and it's inappropriate  
18 for Defendants to rely on statements based off of different  
19 claim language to limit the scope of the claims in this  
20 case.

21           But even if, Your Honor, the argument were  
22 relevant and the claims were substantially similar, which  
23 they are not, Defendants have not shown that the alleged  
24 disavowal was clear and unmistakable, which is the  
25 standard.



1           They rely on the statement on the screen in front  
2 of you in which the applicant stated that as to information  
3 regarding lengths of packets where the information is  
4 located or stored external to packet, it is unreasonable to  
5 consider such external length information as contents.

6           But the description that applicant made with  
7 regards to this prosecution history is -- is in relation to  
8 a reference called the Whitehead reference which operates  
9 in a substantially different way than the RoHC  
10 functionality and, therefore, should not even be applicable  
11 in this case.

12           In the Whitehead reference, there were two  
13 different queues, one with the actual packets and one  
14 external length information relating to the size of the  
15 packets. That queue did not have -- or that buffer did not  
16 have the actual packets. But the RoHC functionality in the  
17 accused system, the buffers include both the packets, and  
18 from the packets, the eNodeB determines the size of the  
19 buffer.

20           The buffer in Defendants' system is certainly not  
21 separate and independent and certainly not external length  
22 information. But regardless, Your Honor, the point in the  
23 file history was not that size could never qualify as  
24 contents. It was that in that particular situation,  
25 external length information cannot not qualify as contents.

1           For this reason, Your Honor, we believe that  
2 Defendants' motion for summary judgment is inappropriate  
3 because of all of the various factual questions still  
4 remain in dispute.

5           THE COURT: All right.

6           MS. PATEL: Thank you.

7           THE COURT: Thank you, counsel.

8           Briefly, response from Plaintiff? Do you have  
9 anything to add, Mr. Kubehl?

10          MR. KUBEHL: Very briefly.

11          Your Honor, our motion took up the theories that  
12 they have in this case, as they were expressed in their  
13 expert reports and as their experts described those in  
14 their depositions.

15          Through the process, we've heard a shifting in  
16 sands of what those theories are. I recognize that it's  
17 hard for Your Honor to unpack the allegations that are  
18 being made now, which we believe are to -- new theories not  
19 supported by their reports.

20          We think summary judgment should stand based on  
21 the theories that have been expressed so far. And with  
22 respect to any of these new theories, we'll seek to hold  
23 him to his report at the trial if there is one.

24          THE COURT: All right. Thank you, counsel.

25          I don't remember ever hearing the adjective

1 "philosophical" applied to the word "packets" before, but  
2 it's a new day, I guess.

3 On balance, counsel, with regard to this motion,  
4 the Court's persuaded that there are surviving and material  
5 questions of fact still afoot that are appropriate for  
6 trial before the jury, and I'm going to deny Defendants'  
7 motion for partial summary judgment regarding  
8 non-infringement of the '517 patent.

9 All right. The next matter we have to take up has  
10 to do with the MSJ relating to non -- no willful  
11 infringement. We'll do that after a short recess. And  
12 then it will probably be time for a short lunch break, but  
13 we're going to take a short recess, then I'll come back and  
14 take up the partial summary judgment by Defendants of no  
15 willful infringement.

16 The Court stands in recess.

17 COURT SECURITY OFFICER: All rise.

18 (Recess.)

19 COURT SECURITY OFFICER: All rise.

20 THE COURT: Be seated, please.

21 All right. Let's continue with the pre-trial  
22 matters before the Court, and we'll take up Defendants'  
23 partial summary judgment of no willful infringement.

24 Let me hear from the moving Defendant, please.

25 MR. KUNCHERIA: Good morning, Your Honor.

1 THE COURT: Good morning.

2 MR. KUNCHERIA: My name is Johnson Kuncheria, and  
3 I'll be addressing Defendants' summary judgment of no  
4 willfulness --

5 THE COURT: All right.

6 MR. KUNCHERIA: -- Docket No. 207 on behalf of  
7 Ericsson and T-Mobile.

8 THE COURT: Let's proceed.

9 MR. KUNCHERIA: Your Honor, summary judgment of no  
10 willfulness is warranted in this case because the record  
11 contains no evidence of any egregious misconduct beyond  
12 alleged typical infringement.

13 During discovery, Defendants appropriately sought  
14 all facts and reasons supporting IV's willful infringement  
15 allegations in Common Interrogatory No. 23. In response,  
16 IV merely incorporated by reference its discovery response  
17 on actual notice to Defendants of the asserted claims.

18 That discovery response merely alleges knowledge  
19 and does not allege pre-suit knowledge of the asserted  
20 patents. Instead, it alleges pre-suit knowledge of  
21 different patents in the same family of the patents-in-suit  
22 that were asserted by IV in different litigations. There  
23 is no assertion of pre-suit knowledge of the asserted  
24 patents.

25 Your Honor, may I approach with slides?

1 THE COURT: Yes, you may approach.

2 MR. KUNCHERIA: For the first time in IV's briefs,  
3 IV now speculates that Defendants have pre-suit knowledge  
4 from different patents in prior litigations listing the  
5 patent applications or the asserted patent or uncles or  
6 grandparents of the asserted patents.

7 However, this Court recognizes that knowledge  
8 alone -- knowledge of the asserted patents alone is  
9 insufficient to establish willfulness. In Ericsson versus  
10 TCL, this Court analyzed the Supreme Court's decision in  
11 Halo and observed, as foreshadowed by Justice Breyer, the  
12 parties have interpreted willful to mean knowledge of a  
13 patent and nothing more. This Court rejected that  
14 interpretation, and, instead, found that knowledge of a  
15 certain patent without more cannot justify a finding of  
16 willful infringement.

17 It's important to note that the Court in this case  
18 made these statements in the context of deciding TCL's  
19 summary judgment motion of no willfulness and not whether  
20 and in what amount to enhance damages.

21 In that case, in the context of that summary  
22 judgment motion of no willfulness by TCL, this Court  
23 confirmed that the applicable willfulness standard, as it  
24 stands today, necessarily requires egregious infringement  
25 behavior. In that same case, the Court explained that the

1 more pertinent question in that context is whether there's  
2 any evidence to support a finding of egregious culpable  
3 behavior at any time in the case.

4 IV in its sur-rely now relies on Core Wireless to  
5 mistakenly suggest that knowledge of a patent alone is  
6 enough to survive summary judgment. In particular, IV  
7 asserts that this Court has held that enhanced damages is a  
8 separate question from whether a Defendant willfully  
9 infringed a patent. That, however, does not address the  
10 question of whether willful infringement requires egregious  
11 misconduct.

12 Core Wiles, however, confirms that Halo supplies  
13 the standard for willful infringement and that the doctrine  
14 of willful infringement requires egregious infringement  
15 behavior because that doctrine serves as a sanction for  
16 egregious infringement.

17 The Federal Circuit Bar Association's model patent  
18 jury instructions also are consistent and recognize that  
19 knowledge of a patent alone is not enough for willful  
20 infringement. Those jury instructions inform the jury that  
21 they may not determine that the -- the infringement was  
22 willful just because the alleged infringer knew of the  
23 patent and infringed it. Instead, willful infringement is  
24 reserved for only the most egregious behavior.

25 Under the federal rules, IV is not permitted to

1 introduce new willfulness evidence now, given its discovery  
2 responses. IV's failure to identify any egregious  
3 misconduct during discovery renders summary judgment  
4 inappropriate here because knowledge of asserted patent  
5 alone is insufficient to establish willfulness.

6           However, in IV's briefing for the first time, IV  
7 now relies on T-Mobile's continued use of the accused  
8 feature and multiple releases of Ericsson's software. IV  
9 offers no explanation of how continuing infringement rises  
10 to a case of egregious misconduct beyond alleged typical  
11 infringement.

12           IV makes no allegation that the character or  
13 nature of the alleged infringement has changed. Instead,  
14 it relies on alleged typical infringement, which is  
15 insufficient under the Supreme Court's Halo decision.

16           Therefore, Your Honor, we believe summary judgment  
17 is appropriate.

18           THE COURT: Let me hear a response, please.

19           MR. FLANNERY: Good morning, Your Honor. Kevin  
20 Flannery for Plaintiff.

21           THE COURT: Good morning.

22           MR. FLANNERY: The -- Your Honor, in TCL v.  
23 Ericsson, the Court specifically said that analyzing --  
24 subsequent cases after Halo, that it is the jury that must  
25 decide whether the infringement was intentional, and then

1 the Court must decide whether the intentional conduct was  
2 egregious enough to justify enhanced damages.

3 There's two separate issues at play here,  
4 willfulness and enhancement. Their motion is a summary  
5 judgment for no willful infringement. The issue there is  
6 the Defendants' state of mind. It's a classic issue to be  
7 decided by a jury. It raises genuine factual disputes.

8 They -- they argue that we have nothing more than  
9 notice of the patent, but, of course, you didn't hear  
10 anything from Plaintiffs regarding their subjective state  
11 of mind and whether they have good faith beliefs in  
12 non-infringement or not. Certainly, we're allowed to  
13 challenge that in front of a jury, and that's a classic  
14 issue of fact.

15 THE COURT: Tell me where the allegation is in  
16 your current complaint, counsel, that pre-suit, the  
17 Defendants had particular knowledge of the asserted patents  
18 and claims, not just the families from which these patents  
19 come.

20 MR. FLANNERY: I -- I think our case is based upon  
21 knowledge of the families, Your Honor -- knowledge of the  
22 family. We -- we do not have evidence showing that they  
23 had specific knowledge of these particular patents, but I  
24 don't think that that matters under the case law. I think  
25 even knowledge of a patent application and the other



1 applications that are cited in that application has been  
2 found to be enough to create an issue of fact for  
3 willfulness for the jury.

4           These are -- this isn't just a situation where  
5 they knew about a patent application. They knew about the  
6 Malibu patents. That's what we call them. I think Your  
7 Honor is aware of that. They knew about the Malibu patents  
8 from litigation.

9           What more evidence could they need to know -- to  
10 be put on notice about potential infringement issues with  
11 respect to a family of patents? They knew about that  
12 family. We've told them -- we've alleged that. We've  
13 alleged that in our interrogatories. They were well aware  
14 of the Malibu family.

15           And there's inferences that should be drawn in our  
16 favor that based upon that knowledge, they had knowledge of  
17 these patents.

18           THE COURT: You know, counsel, you can pick your  
19 friends but you can't pick your family, and some families  
20 are very small and some families are very large and  
21 scattered.

22           To say knowledge of the family of patents is  
23 adequate in some cases might be appropriate if the family  
24 is a handful of patents, but it might be inappropriate if  
25 the handful -- or if the family, rather, of patents is

1 hundreds if not thousands of patents.

2 I mean, I need -- I need to be shown that the  
3 Defendants had a reasonable knowledge of these particular  
4 patents one way or another. And to use the family approach  
5 as imprecise and as undefined as that might be is somewhat  
6 troubling.

7 MR. FLANNERY: Well, I think that's an issue --  
8 as -- as you phrased it, Your Honor, I think that's an  
9 issue that we should -- can and should be decided by the  
10 jury, whether they had notice, based upon the size of the  
11 fame. There's the -- you mentioned that there could be  
12 thousands of patents in a family. I don't think that's the  
13 case. I do think we have a small -- relatively small  
14 family of patents here that the jury can be shown.

15 The jury can be shown that -- the number of  
16 patents that are in the family, how they relate, and how  
17 these patents that are at issue in this case relate to the  
18 patent that Defendant clearly had notice of. So I think  
19 those are -- that's a classic issue that can and should go  
20 to the jury, Your Honor.

21 THE COURT: All right. Let me hear the remainder  
22 of your response to Defendants' argument.

23 MR. FLANNERY: The -- I think as phrased during  
24 the opening, that's -- that's my response. I mean,  
25 otherwise, they made arguments in their brief that they

1 didn't respond to -- that they didn't raise here regarding  
2 their subjective state of mind. Again, Your Honor, I think  
3 that's an issue that's squarely going to be in front of the  
4 jury. They have a witness who came and at the deposition  
5 and in a somewhat unique situation where it was done by --  
6 by counsel voir diring in the middle of our deposition of  
7 an Ericsson witness and getting him to elicit questions  
8 about Ericsson's subjective belief or lack thereof, and  
9 that's a classic -- classic issue for the jury, and we've  
10 briefed that. So that wasn't -- wasn't addressed during  
11 the opening arguments, so I'll just rest on our brief on  
12 that point, Your Honor.

13 THE COURT: All right. Thank you.

14 Do Defendants have anything additional to add?

15 MR. KUNCHERIA: Yes, briefly, Your Honor.

16 Two points I'd like to make, Your Honor. As -- as  
17 I had articulated in my opening, their rog response merely  
18 asserts awareness of family members of the asserted  
19 patents. It does not allege pre-suit knowledge of the  
20 asserted patents. It is their burden to establish willful  
21 infringement.

22 We asked during discovery all facts and reasons  
23 why they believe we willfully infringe, and they rely  
24 solely on pre-suit knowledge of family members of the  
25 asserted patents and not even the -- the patents

1 themselves.

2           Second point I'd like to make, Your Honor, they  
3 spoke about the lack of any subjective belief and  
4 non-infringement. We addressed this in our brief at Docket  
5 No. 207 at Page 4, and there -- there is testimony of  
6 Ericsson's corporate representative identifying the  
7 differences between the asserted patents and the accused  
8 products. And he also testified that his competence level  
9 in those differences were high.

10           THE COURT: All right. With regard to this  
11 motion, it's the Court's belief that while knowledge of the  
12 asserted patents is necessary, there must be more than  
13 simply knowledge. However, in this case, the question  
14 seems to center on whether the Defendants were  
15 reasonable -- reasonably put on notice as to the particular  
16 patents-in-suit by their knowledge of the patent family or  
17 families from which these patents-in-suit now have been  
18 specified to come from.

19           I'm not aware of any case law that tells me that  
20 knowledge of the family itself, without more, is adequate  
21 notice to put the Defendants in a posture to potentially  
22 infringe in a willful manner. And with regard to  
23 willfulness pre-complaint, I'm going to grant the  
24 Defendants' motion. With regard to the potential for  
25 willfulness post-complaint, I'll deny the Defendants'

1 motion.

2 All right. It just seems to me there's got to be  
3 some nexus with the particular patents-in-suit. Saying you  
4 knew about the family is not too far a step from saying you  
5 knew there was this PTO in Virginia, and you should just go  
6 check everything there and see if anything there applies.  
7 It's too nebulous. It's too attenuated to meet the  
8 threshold to give the Defendants reasonable notice as an  
9 underpinning to a potential willfulness finding.

10 All right. We're going to break for lunch. When  
11 we come back, we'll take up the Defendants' motion for  
12 summary judgment regarding invalidity of the '206 patent.

13 It's five minutes until noon. I will see you back  
14 here at 20 minutes until 1:00.

15 We stand in recess.

16 COURT SECURITY OFFICER: All rise.

17 (Recess.)

18 COURT SECURITY OFFICER: All rise.

19 THE COURT: Be seated, please.

20 All right. We'll reconvene and continue with the  
21 pre-trial matters related to the Intellectual Ventures  
22 versus T-Mobile, et al., case. And we'll next take up  
23 Defendants' motion for partial summary judgment of  
24 invalidity regarding the '206 patent.

25 Let me hear from Defendants, please.

1 MR. PARRISH: Your Honor, may I approach?

2 THE COURT: You may.

3 MR. PARRISH: Good afternoon, Your Honor.

4 THE COURT: Good afternoon.

5 MR. PARRISH: My name is Bryan Parrish on behalf  
6 of Ericsson and T-Mobile. I'll be arguing this motion for  
7 summary judgment -- that is the '206 re-issue patent is  
8 invalid in view of the '098 PCT publication.

9 THE COURT: All right. Proceed with your  
10 argument.

11 MR. PARRISH: The parties agree that the PCT  
12 publication discloses details of the asserted claims of the  
13 '206 patent. The only remaining issue for the Court is  
14 whether that PCT publication is the prior art based on the  
15 priority date of the '206 patent.

16 Now, the '206 patent is a re-issue of U.S. Patent  
17 7,251,218.

18 THE COURT: Just a minute.

19 MR. PARRISH: Apologies, Your Honor.

20 THE COURT: Go ahead.

21 MR. PARRISH: The '206 patent is a re-issue of  
22 U.S. Patent 7,251,218. So the priority date of the '206  
23 patent depends on when this '218 patent was first filed.

24 The Defendants contend that under then existing 35  
25 U.S.C. Section 111, the statutorily required filing date of

1 the '218 patent is October 24th, 2002. This is because  
2 that was the first date that a Section 112 compliance  
3 specification was first submitted to the Patent Office.

4 On the other hand, Plaintiff contends that the  
5 filing date should be September 12th, 2002. This is the  
6 date that application papers were submitted to the Patent  
7 Office. And in those application papers, there was an  
8 incorporation by reference of a parent specification.

9 Now, the central issue for the Court here is  
10 whether then existing 35 U.S.C. Section 111 allowed an  
11 applicant to incorporate a specification by reference to  
12 obtain a filing date. Really the key language in the  
13 statute is this "shall include" language.

14 The Federal Circuit's description of Section 111  
15 in the Baxter case sheds light on what the plain and  
16 ordinary meaning of Section 111 is. In that case, the  
17 Federal Circuit explained that under Section 111, in order  
18 for an application to be complete and receive a filing  
19 date, the application had to have four components, each one  
20 of which had to be present in the application. Relevantly,  
21 the Court said a specification, which includes both the  
22 written description --

23 THE COURT: Mr. Flannery, point that microphone  
24 up. Sometimes that helps. No?

25 Well, do you have any suggestions, Ms. Lockhart?

1 COURTROOM DEPUTY: Can I go?

2 THE COURT: Yes.

3 Who did what?

4 COURTROOM DEPUTY: Ms. Butler.

5 THE COURT: Okay. All right. Whatever that  
6 feedback was in the sound system seems to have ceased. So  
7 let's go ahead, counsel.

8 MR. PARRISH: Thank you, Your Honor.

9 What the Federal Circuit explained in Baxter was  
10 that a specification must include both the written  
11 description and the claims. According to the Federal  
12 Circuit, the plain language of Section 111 must include all  
13 four of these components in order for the specifi -- in  
14 order for the application to receive a filing date.

15 Now, in IV's sur-reply they made the argument that  
16 then existing Section 111 is silent about the manner and  
17 form in which the components of the application must be  
18 filed.

19 What you see before you on this PowerPoint slide  
20 is the current version of Section 111. And what you see in  
21 the current version of Section 11 [sic] is Subsection C.

22 Subsection C is not present in the existing -- the  
23 then existing version of Section 111. And what Subsection  
24 C allows is that the director is allowed to incorporate by  
25 reference a prior application specification drawings for



1 purposes of a filing date. Notably, this is not in the  
2 then existing version of Section 111 that was in effect  
3 when the '218 patent was first filed.

4 Now, because the specific facts regarding the  
5 filing date of the '21 [sic] patent are key to this issue,  
6 I'd like to briefly go through a few of the relevant facts.

7 THE COURT: All right.

8 MR. PARRISH: On September 12th, 2002, the  
9 applicant first submitted papers for the '218 patent. Now,  
10 it's undisputed that a copy of a specification was not  
11 included in those filing papers. Instead, what the  
12 application did was submitted a transmittal form. Here's a  
13 copy of that transmittal form that was filed. There's a  
14 check box that indicates that the application is a  
15 continuation application.

16 THE COURT: Let's go ahead, counsel. I can hear  
17 you over the feedback.

18 MR. PARRISH: I'd like to point out two things  
19 about this transmittal form. One is that the transmittal  
20 form itself indicates that the incorporation can only be  
21 relied upon when a portion of that patent application's --  
22 that patent application's prior disclosure has been  
23 inadvertently omitted from the submitted application parts.

24 Now, this is the transmittal document that IV  
25 relied on to show that specification was filed during the

1 prosecution of the '218 patent on September 12th.

2           However, if you look at this stamp placed by the  
3 PTO on the bottom of this transmittal form, the PTO didn't  
4 even believe that they received the specification. It  
5 says: The PTO is missing the specification, all 158 pages  
6 of it.

7           Indeed, shortly after these application papers are  
8 filed, the Patent Office sent the applicant notice of  
9 incomplete, non-provisional application. They told the  
10 applicant that the specification is missing. Notably, a  
11 filing date has not been accorded to the above identified  
12 application.

13           So at this point, although application papers have  
14 been filed, no filing date had been given to the  
15 application. Defendants had the opportunity to depose IV's  
16 30(b)(6) witness, Mr. Dean Munyon. In that deposition,  
17 Mr. Munyon confirmed that a copy of the detailed  
18 description of the specification was not filed on September  
19 12th, 2002. Mr. Munyon also confirmed that there was no  
20 copy of the written description included in the contents of  
21 the application papers that were filed on September 12th,  
22 2002.

23           This is important because five days later the  
24 parent application of the '218 patent issued. On September  
25 17th, 2002, the '915 patent issues. Without the filing

1 date, there can be no co-pendency between the '218 patent  
2 and the '915 patent. Without co-pendency under 35 U.S.C.  
3 120, the '218 patent does not claim the benefit of the  
4 earlier priority date.

5 Eventually, the applicant actually files the  
6 specification. That happens on October 24th, 2002. And  
7 this is first time that a copy of a specification is filed.

8 Again, when we asked IV's 30(b)(6) witness that  
9 only after the '915 parent patent issued, the applicant  
10 submitted a specification to the Patent Office on October  
11 24th, 2002, and he said: That is correct.

12 Now, the applicant understood that because the  
13 specification was not filed for first time until October  
14 24th, 2002, the filing date was not until October 24th,  
15 2002. Indeed, documents submitted by the applicant after  
16 that date all include October 24th, 2002, as the filing  
17 date.

18 Here you see an information disclosure statement  
19 filed by the applicant, you know, him stating that the  
20 filing date is October 24th, 2002. This continued  
21 throughout prosecution.

22 The Patent Office and the applicant both believe  
23 that the filing date was October 24th, 2002, so it was  
24 unsurprising that when the '218 patent issued, it was the  
25 filing date of October 24th, 2002.

1           And this is how it stood for many years.  
2           Eventually, IV acquired these patents in 2011. And shortly  
3           thereafter, IV filed a petition to change the filing date  
4           of the '218 patent. This petition occurred almost four and  
5           a half years after the '218 patent issued.

6           The Patent Office rejected the application. They  
7           said: As we just discussed, the applicant was aware of the  
8           filing date, and it accepted that it was October 24th,  
9           2002. And kind of a key issue here was the Patent Office  
10          said four and a half years has passed. The public has a  
11          right -- a right to rely on this filing date.

12          Now, IV was undeterred by this decision, so they  
13          filed a re-issue application which was the current asserted  
14          patent in this case. And during that re-issue proceeding,  
15          they filed another petition.

16          This time, the Patent Office granted that  
17          petition, and IV's primary argument to that petition was  
18          that the filing date of September 12th, 2002, should be  
19          granted because that's when an incorporation by reference  
20          statement was made to the parent application.

21          The Patent Office's main justification for  
22          granting the patent was reliance on MPEP 201.06(c), and  
23          that section deals with incorporation by reference.

24          Now, what the portion of the -- portion of the  
25          MPEP actually explains is that incorporation by reference

1 is just a safeguard. It's meant for situations where the  
2 applicant accidentally forgets the specification page or a  
3 drawing sheet. It's not meant for the wholesale  
4 incorporation by reference of the entire specification.

5 Another thing to note about the section that the  
6 MP -- MPEP relied on is it had nothing to do with filing  
7 dates.

8 THE COURT: Do you have something to tell me that  
9 it's not meant for the wholesale situation where an entire  
10 specification is omitted like you just argued?

11 MR. PARRISH: Yes, Your Honor. The very next  
12 section that the Patent Office didn't discuss in big bold  
13 letters says: Application not entitled to a filing date.  
14 Material needed to accord an application a filing date may  
15 not be incorporated by reference. That's clear from the  
16 MPEP, but more importantly, it's clear from the statute.

17 The section says: Such application shall include  
18 a specification -- a patent application or not other --  
19 some other application in the chain of priority. And this  
20 is also seen to be contrasted with the now current version  
21 of Section 111 which does allow the director to allow  
22 incorporation by reference to receive a filing date.

23 Again, we return to the Federal Circuit's decision  
24 in Baxter which explains the importance of a specification.  
25 It has both written description and claims. And the

1 omission of any one of these component parts makes the  
2 patent application incomplete.

3           Now, IV's main argument is that despite the clear  
4 statutory language of Section 111, the PTO's petition  
5 decision cannot be set aside by this Court because under  
6 Gilead, the decision was not arbitrary, capricious, an  
7 abuse of discretion, or otherwise not in accordance with  
8 law. However, even Gilead recognizes that the statute's  
9 plain language must ordinarily be regarded as conclusive.

10           In the Baxter court, back to\*the Federal Circuit  
11 said in Baxter that that -- while the PTO is presumed to  
12 have complied with all of the old rules, that presumption  
13 cannot overcome by a clear statutory violation.

14           So, Your Honor, Defendants believe that Section  
15 111 requires that such application must include a Section  
16 112 compliance specification, and that's clear from the  
17 statute. This is consistent with the MPEP that was in  
18 effect when the '218 patent was filed, and even the Patent  
19 Office's own transmittal document.

20           So under this statute, the PTO's decision to  
21 change the filing date of the '218 patent from October  
22 24th, 2002, to September 12th, 2002, is reversible because  
23 it's a clear statutory violation.

24           As I started off the presentation, given the  
25 statutorily required filing date of October 24th, 2002,

1 it's undisputed that the '206 patent is anticipated by the  
2 PCT publication.

3 THE COURT: Why is it appropriate for this Court  
4 to reverse the decision of the PTO to change the filing  
5 date on the '218 patent?

6 MR. PARRISH: Yes, Your Honor. According to the  
7 Baxter decision at the Federal Circuit, this Court has the  
8 ability to reverse the PTO's decision when there's been a  
9 clear statutory violation.

10 Section 111 that was then pending when the '218  
11 file was -- was filed, says that such application must  
12 include a specification. The Baxter Court said that an  
13 application has four component parts, one of which was a  
14 specification. When a specification is not included, then  
15 the applicant is not entitled to a filing date.

16 THE COURT: So it's fair to say you're hanging  
17 your hat on the Baxter decision, pretty much across the  
18 board?

19 MR. PARRISH: And the plain language of Section  
20 111 as it was then pending.

21 THE COURT: And as you read it? Okay.

22 MR. PARRISH: Yes, Your Honor.

23 THE COURT: Let me hear a response from Plaintiff.

24 MR. ABRAHAM: Good afternoon, Your Honor. Joseph  
25 Abraham for IV.

1           THE COURT: Good afternoon, counsel. Let me hear  
2 Plaintiff's response.

3           MR. ABRAHAM: We concur with the Court's  
4 inclination to uphold the PTO's decision as a reasonable  
5 application of then applicable Section 111.

6           THE COURT: I didn't say I was inclined to do  
7 anything. I just asked opposing counsel some questions.

8           MR. ABRAHAM: Fair enough. Regardless, the -- we  
9 would say that nothing in the then applicable version of  
10 Section 111 included incorporation by reference. It was  
11 silent. It said nothing about how a specification was to  
12 be included.

13           In connection with the September 2002, '454  
14 application, a compliant specification was incorporated  
15 by -- by reference. This was explicitly permitted by MPEP  
16 608.01, and it was also consistent with the PTO's duly  
17 promulgated form which is part of the record of Exhibit 4  
18 to Docket 242.

19           In terms of -- in terms of Defendants' reliance on  
20 MPEP 201.06, it does say that material needed to accord a  
21 filing date cannot be incorporated by -- incorporated by  
22 reference, but it does not say which material is, in fact,  
23 needed. The existence of the check box implies that  
24 certain aspects of the application can be so incorporated.

25           The PTO is well within its rights to establish its



1 own administrative procedures which deserve deference.

2 Defendants' argument, we think, is based entirely  
3 on an incorrect interpretation of the law. It is based on  
4 the mistaken accusation that the decision to correct the  
5 '454 application date was in contravention -- in  
6 contravention of Section 111.

7 In terms of Defendants' reliance on the  
8 apportionment language, I will refer the Court -- and I'm  
9 sorry, if I can get the ELMO -- I'll refer the Court to the  
10 language of the Baxter case on which the Defendants rely,  
11 which specifically notes that the specification includes  
12 both the written description and the claims. There is no  
13 dispute that the '454 application included the claims,  
14 which are part of the specification as referenced here in  
15 Baxter.

16 Defendants say that the facts --

17 THE COURT: Wait a minute. Put that back up on  
18 the ELMO.

19 MR. ABRAHAM: Sure.

20 THE COURT: That's Section 1 -- or bracketed 1  
21 that you referred to says the specification, parentheses,  
22 which includes both the written description and the claims,  
23 close parentheses, and the claims. So are the claims and  
24 the specification the same thing? Are the claims and the  
25 specification not part of the same thing? I mean, you used

1 what's in the brackets to say the claims were attached,  
2 therefore, part of the specification was attached. But  
3 then why is the language in black print following the close  
4 paren and claims there?

5 MR. ABRAHAM: I think we would agree with  
6 Defendants' decision to put the [sic] reference there in  
7 square brackets, but regardless, we do think that the  
8 language of the case clearly contemplates the claims as  
9 being part of the specification.

10 THE COURT: All right. That's confusing to me.

11 MR. ABRAHAM: I will agree that this is not a  
12 model of clarity, but we certainly -- to the extent that  
13 there is any -- anything in Defendants' argument that only  
14 a portion of a missing specification can be incorporated by  
15 reference, we think then that is -- supports that.

16 THE COURT: I see your argument.

17 MR. ABRAHAM: Now, in terms of the facts of  
18 Baxter, the Defendants say that it is a distinction without  
19 a difference that in Baxter, the specification -- the  
20 written description was submitted, but the claims were not.  
21 And here, we have the opposite situation where the claims  
22 were submitted but the written description was -- was only  
23 incorporated by reference.

24 One cannot definitionally incorporate claims from  
25 an earlier application, but there is absolutely nothing to

1 prevent the PTO from reviewing an identical specification  
2 that was in the -- in the PTO's records in connection with  
3 the earlier application. That's the situation we have  
4 here. We think that Baxter is thus very distinguishable on  
5 its facts.

6 And then in terms of Defendants' repeated  
7 references to Mr. Munyon throughout, I refer you to  
8 Footnote 7 of their reply brief. It requires them to  
9 assume away the existence of this possibility to  
10 incorporate by reference.

11 I'm sorry, there is one other thing I will also  
12 direct the Court. Defendants' slide where they present a  
13 portion of MPEP 608 and argue that it supports their  
14 position, we will, again, just note that MPEP 608  
15 specifically provides an application as filed must be  
16 complete in its -- in itself in order to comply with 35  
17 U.S.C. 112, but material nevertheless may be incorporated  
18 by reference.

19 So unless the Court has any further questions, I  
20 will rest.

21 THE COURT: No, counsel. Thank you.

22 Any brief follow-up by Defendants?

23 MR. PARRISH: Yes, Your Honor.

24 THE COURT: It's not you, is it, Mr. Parrish?

25 MR. PARRISH: It just might be, Your Honor.

1 THE COURT: Go ahead.

2 MR. PARRISH: Your Honor, Defendants don't dispute  
3 that certain types of information can be incorporated by  
4 reference. What clearly cannot be incorporated by  
5 reference is material that is needed under -- needed to  
6 afford a filing date, which is a Section 112 compliant  
7 specification.

8 The counsel just admitted that the written  
9 description portion of the specification was incorporated  
10 by reference. IV's 30(b)(6) witness testified that there  
11 is no written -- a copy of the written description was not  
12 filed on September 12th, 2002. Because of that, the filing  
13 date of the '218 patent, and thus the priority date of the  
14 '206 patent, is October 24th, 2002.

15 THE COURT: All right. Well, the Court has some  
16 reluctance to reach into an administrative agency of the  
17 Executive branch and correct their internal processes in  
18 light of the separation of powers doctrine.

19 The Court also sees under the statute that the  
20 claims have to be there, they're there, there's question.  
21 The claims are a part of the specification for these  
22 purposes. I don't think there's any dispute about that.

23 But there does seem to the Court at least to be a  
24 question of material fact as to the omission, and this does  
25 not appear to the Court a matter that's ripe for summary

1 judgment in light of the presence of material questions of  
2 fact.

3 I'm going to deny -- especially in light of the  
4 fact the alternative is invalidity of the patent. That's a  
5 harsh remedy in light of a situation that is far from  
6 factually undisputed. I'm going to deny the partial motion  
7 for summary judgment by Defendants.

8 Next is Defendants' motion for summary judgment  
9 regarding certain references and whether they are or are  
10 not prior art.

11 That appears to be Document No. 210.

12 Let me hear from the moving Defendants -- the  
13 moving Defendants on this, please.

14 MS. BUTLER: Your Honor, may I approach?

15 THE COURT: You may. Proceed when you're ready.

16 MS. BUTLER: Good afternoon, Your Honor. My name  
17 is Melissa Butler, and on behalf of Defendants, I'll be  
18 arguing Defendants' motion for summary judgment that  
19 certain disputed references are prior art, Docket 210.

20 THE COURT: All right. Pull the microphone down a  
21 little bit, Ms. Butler. Thank you. Go ahead.

22 MS. BUTLER: Summary judgment that the three  
23 references at issue qualify as prior art, printed  
24 publications under Section 102 is appropriate. The three  
25 references at issue are all IEEE publications. These are

1 not obscure or one-off references like an unpublished  
2 student dissertation or a user guide distributed by sales  
3 representatives. These are publications by IEEE, well  
4 know, widely relied upon publication in the field.

5 The issue is whether these three references  
6 qualify as prior art printed publications, and the  
7 uncontroverted evidence establishes that they do. These  
8 references are not cutting it close on dates. Each of them  
9 predates the relevant patents by two years.

10 The evidence demonstrates that they were published  
11 before the priority dates, that they were available in  
12 libraries before the priority dates. As Defendants' expert  
13 Dr. Hall-Ellis investigated records and concluded that  
14 these three references were cataloged, indexed, and  
15 available in libraries by certain dates, all of which  
16 predate the respective patents. This is bolstered by the  
17 fact that the conferences for the underlying IEEE  
18 proceedings occurred before the prior dates.

19 It's further supported by the fact that POSITAs  
20 cited these articles in their own IEEE publications which  
21 also published before priority dates.

22 And, Your Honor, IV offers no evidence to the  
23 contrary, no library declaration of their own. IV disputes  
24 the extent to which these references were publicly  
25 available by -- but has no genuine dispute that they are

1 anything other than what they purport to be, references  
2 that were publications from 1996 and 1997, as evidenced by  
3 the documents themselves.

4 IV argues that there is a separate examination  
5 prong that a POSITA must have -- must be able to examine  
6 them. But here, locate and examine are one and the same.

7 They're library references, IEEE publications.  
8 There's simply no suggestion that they were available in a  
9 library in some form other than a form that could be  
10 examined.

11 And, Your Honor, I'd like to step briefly through  
12 one of the three publications. This is the Dyson  
13 reference, which is relied on as prior art to the '629  
14 patent. IV's alleged priority date for the '629 patent is  
15 July 9th, 1999. This is the cover of the publication that  
16 contains the Dyson reference. On its cover it says MILCOM  
17 '97 Proceedings, listing November 1997 dates.

18 It also lists a copyright date of 1997 by the  
19 Institute of Electrical and Electronics Engineers, Inc., or  
20 IEEE. The table of contents lists Dyson under the  
21 unclassified technical session occurring on November 4th,  
22 1997. And this is the first page of the art -- of the  
23 Dyson article itself, which bears a copyright 1997 IEEE  
24 date in the footer.

25 Now, Your Honor, there's some dispute about

1 whether the copyright date is sufficient to establish this  
2 as prior art -- as a prior art printed publication, but we  
3 know from the -- the copyright statute itself that  
4 copyright notices are placed on publicly distributed works.

5           The Federal Circuit also affirmed a PTAB decision  
6 involving Ericsson and IV which found that similar  
7 copyright evidence was sufficient to establish a similar  
8 IEEE article qualified as a prior art printed publication.

9           The PTAB found that they accept the publication  
10 information on the IEEE copyright line as evidence of its  
11 date of publication and public accessibility.

12           The PTAB found that IEEE is a well-known reputable  
13 compiler and publisher of scientific and technical  
14 publications and took official notice that members of the  
15 scientific and technical communities rely on information in  
16 the copyright line of IEEE publications.

17           THE COURT: Are you telling me, Ms. Butler, that  
18 the copyright notation in and of itself not only  
19 establishes publication but accessibility?

20           MS. BUTLER: It establishes the date that the  
21 reference was published and publicly available, yes, Your  
22 Honor. And that's not the end all, be all of Defendants'  
23 public availability showing, but we do think that the  
24 copyright date would be sufficient.

25           THE COURT: So if I go back in my office and write



1 a breath-taking work of fiction and put a copyright symbol  
2 on it, that means it's publicly accessible, even if I don't  
3 publish it, print it, distribute it, leave it my locked  
4 door of my desk?

5 MS. BUTLER: No, Your Honor. In these  
6 circumstances where it's the copyright by IEEE, that is a  
7 sufficient notification that this well-known publisher has  
8 published and distributed the reference. There are  
9 situations -- for example, a user guide. That may have a  
10 copyright date where its distribution relies on whether a  
11 sales representative distributes it with a device. That --  
12 that would be different. But here we have an IEEE  
13 publication, a publisher who is heavily relied on in the  
14 field, and whose works are available in libraries.

15 THE COURT: Well, my question is not so much the  
16 publication, it's the accessibility component.

17 MS. BUTLER: Understood, Your Honor. And here  
18 what we'll get to next is Dr. Hall-Ellis's testimony where  
19 she investigates whether this was available in libraries.

20 THE COURT: Go ahead.

21 MS. BUTLER: Another note on this PTAB decision is  
22 that the reference at issue there Stadler was -- was  
23 published in the MILCOM '98 Proceedings, which is the same  
24 periodical in which the Dyson reference at issue here  
25 published, just a different year. MILCOM '97 is where the

1 Dyson reference appears.

2 THE COURT: All right.

3 MS. BUTLER: And, Your Honor, this is not the only  
4 PTAB decision finding copyright dates sufficient. That one  
5 was affirmed by the Federal Circuit, but there are -- there  
6 are others that also found the copyright notice sufficient  
7 to be a date of publication and prima facie evidence of  
8 prior art.

9 And so next, Your Honor, Defendants' expert,  
10 Dr. Hall-Ellis, on library practices and cataloging  
11 investigated library records and determined that each of  
12 these references were available by certain dates, all of  
13 which predate the priority dates.

14 The basis of her opinion is analyzing the MARC  
15 records which are a back end library record created by  
16 catalogers. And she bases her opinions based on the enter  
17 date at the top of MARC record. So this is the MARC record  
18 for Dyson that shows the entered date 1997, July 8th. And  
19 Dr. Hall-Ellis analyzes the records and finds that the  
20 enter date is the date that the library first cataloged and  
21 indexed the underlying item so that the date the MARC  
22 record was created, as reflected by this enter date, is  
23 when it's accessible to the public.

24 The MARC records also indicate forms of indexing.  
25 So there's the subject matter classifications in the 650

1 fields. There's Dewey classifications in the 082 fields.  
2 There's Library of Congress classifications in the 050  
3 field. And those latter two help ensure that similar types  
4 of publications are grouped together.

5 And then, finally, Your Honor, Defendants also  
6 have evidence that other POSITAs cited these IEEE  
7 publications in articles that published before the priority  
8 dates of the patents. So here for Dyson, for example, a  
9 POSITA cited Dyson in an article that published in 1998,  
10 also bearing the copyright 1998 IEEE date in the footer,  
11 and that predates the July 9th, 1999 priority date of the  
12 '629 patent.

13 And, finally, Your Honor, at the end of the day,  
14 we were a little surprised that IV was contesting the  
15 public availability of these IEEE publications because IV  
16 stipulated in this case that other IEEE publications  
17 qualified as prior art printed publications based on the  
18 dates of the documents themselves.

19 For example, this is one of the stipulations that  
20 was filed in this case at Docket 164 where IV stipulates  
21 that these various references constitute printed  
22 publications under 35 U.S.C. 102 and 103. And this was  
23 based on the dates of the publications themselves. This  
24 was before any expert testimony offered -- was offered by  
25 Defendants.

1           And so as discussed, we -- we think that the  
2     copyright date from IEEE is sufficient to establish that  
3     these are printed publications, and IV appeared to have  
4     thought so themselves with respect to other references.

5           So for these reasons, summary judgment should  
6     enter.

7           THE COURT: All right. Ms. Butler, thank you.  
8     Let me hear a response from Plaintiff.

9           MS. PATEL: May I proceed, Your Honor?

10          THE COURT: You may, Ms. Patel.

11          First of all, tell me why you stipulated to  
12     certain IEEE publications as you did and as referenced by  
13     opposing counsel and yet are disputing these. What's the  
14     difference? Why is it -- why is it adequate in one place  
15     but not adequate in another place?

16          MS. PATEL: Your Honor, the publications for which  
17     we stipulated were in different IEEE articles, and the  
18     facts of those publications were different. For example,  
19     in some of them --

20          THE COURT: I'm not talking about the substantive  
21     content of the articles. In other words, it sounds like  
22     what you're telling me these hurt us more so we want to  
23     fight about them. The others don't hurt as bad so we don't  
24     want to fight about them. That doesn't go to the issue of  
25     whether they meet the requirements to be a prior printed

1 publication or not.

2           So if you agreed those were prior printed  
3 publications and they're on all fours with these, why  
4 aren't these in the same category or to be treated the same  
5 way?

6           MS. PATEL: I understand the Court's perspective,  
7 Your Honor.

8           With regard to the particular IEEE publications  
9 that IV stipulated to, those publications were different  
10 than the publications in question. For example, some of  
11 those publications, and unfortunately, Your Honor, I don't  
12 have those in front of me because this was not briefed in  
13 Defendants' motion. But those particular IEEE publications  
14 were not -- did not all stem from conferences, for example,  
15 but instead from serial publications which are different  
16 than IEEE publications which stem from conferences, for  
17 example.

18           THE COURT: That's the distinction?

19           MS. PATEL: That is one of the distinctions, Your  
20 Honor. Also, that those IEEE publications were different  
21 than the publications in question here with regards to the  
22 current motion.

23           THE COURT: Different substantively or different  
24 in some other way?

25           MS. PATEL: They are just different publications.

1 They were not -- they did not all stem from the same IEEE  
2 publication.

3 THE COURT: Well, I understand that they may cover  
4 different topics and have different material contained  
5 within them, but -- I mean, if the only difference between  
6 those you stipulated to as prior publications was that some  
7 were ordinary publications in the due course of the IEEE's  
8 operations and some related to specific conferences  
9 sponsored by the IEEE in which these publications were  
10 generated as a part of those conferences, that doesn't seem  
11 like much of a distinction to me.

12 MS. PATEL: Understood, Your Honor. Another  
13 distinction here is also the dates of those publications  
14 with regards to the priority dates in question.

15 Again, I don't have those publications in front of  
16 me, and I -- I'm not entirely sure which publications  
17 Defendants are referring to. However, the dates in  
18 question are -- are different also for the particular  
19 publications.

20 THE COURT: Mr. Black.

21 MR. BLACK: Yes, Your Honor. I'm not certain,  
22 Your Honor, but I believe that these references on this  
23 page, and they'll correct us if we're wrong, may have been  
24 published in serial journals, standard monthly or quarterly  
25 journals. Conference proceedings are treated differently.

1 The papers are submitted to the conference. They're  
2 assembled. The date of a publication of a conference --  
3 conference proceedings is not -- is not certain.

4 Also, there's a certain point at which argument  
5 is -- would be inappropriate. And if there was an IEEE  
6 publication that was 10 years before the priority date, we  
7 wouldn't argue about it. The ones that are at issue here  
8 both have the problem that they were in conference journals  
9 which were an uncertain date of publication. The date of  
10 the conference may be known, but the date of the  
11 publication unknown.

12 THE COURT: I understand, Mr. Black. And I'm  
13 happy for you to help out a little bit, but if you're going  
14 to make the argument, I'll let her sit down and you can go  
15 to the podium. Go ahead, Ms. Patel.

16 MS. PATEL: Your Honor, if I may, Defendants'  
17 entire argument rests almost solely on the declaration of  
18 Dr. Hall-Ellis. But Dr. Hall-Ellis's declaration has  
19 enough holes and open factual questions, and frankly  
20 credibility concerns which call her entire declaration and  
21 testimony into question.

22 As Defendants came up here and argued, the entire  
23 basis of her opinion are these machine readable cataloging  
24 indexes for the particular references in -- in question.  
25 And, in particular, the entered dates listed on those MARC

1 records. But Dr. Hall-Ellis specifically testified that in  
2 certain circumstances, a MARC record may be created before  
3 the library even receives the reference. This is the case,  
4 for example, in situations where librarians create MARC  
5 records to let others know that the publication is  
6 forthcoming or in instances in which the publisher creates  
7 the MARC record before the reference is even published.

8 Dr. Hall-Ellis testified in all of these scenarios  
9 a MARC record could be created before the date the library  
10 ever receives the publication and in some cases before the  
11 publication itself.

12 And Dr. Hall-Ellis's declaration does not indicate  
13 anywhere that the particular MARC records in question were  
14 not created under those circumstances.

15 Another point that is very concerning here, Your  
16 Honor, is that the MARC records that Defendants rely on  
17 were all created before the conference dates in question at  
18 which the Dyson, Oliveira, and Choi references were  
19 presented, which also call into question the reliability of  
20 that entered date.

21 Dr. Hall-Ellis also noted in her deposition that  
22 it's only sometimes possible to determine whether or not a  
23 MARC record was even created in advance of the library  
24 receiving a particular reference, and that -- that's a huge  
25 hole and a huge question of fact that should go to a jury



1 in this situation.

2           Moreover, Dr. Hall-Ellis testified that she only  
3 reviewed the 2018 versions of the MARC records in question  
4 here, instead of the 1997 and the 1998 MARC records or the  
5 revision history for those records.

6           This is important, Your Honor, because for a  
7 publication to be publicly accessible, it needs to have  
8 been indexed or cataloged in a meaningful way. The way to  
9 determine that is through the search -- the key terms or  
10 the subject matter classification. But those terms,  
11 Dr. Hall-Ellis testified, could have been revised over  
12 time.

13           It's -- it's -- there's no certainty whatsoever  
14 that the key terms of the search words in the 2018 versions  
15 of the MARC records that she reviewed were also in the 1997  
16 and 1998 versions of the MARC records which are the MARC  
17 records that would actually matter for purposes of public  
18 accessibility.

19           Moreover, there are some serious credibility  
20 issues with Dr. Hall-Ellis's testimony. She testified that  
21 she had included all instances of her prior testimony in  
22 her declaration. But in the deposition it became clear  
23 that she had failed to identify over 30 instances in which  
24 she gave testimony to the PTAB in the six weeks in advance  
25 of her deposition. And when asked why, she testified

1 specifically that it was her job not to remember, which is  
2 both confusing and concerning.

3           Moreover, in every instance in which she has ever  
4 given testimony, she has always testified that a given  
5 reference was publicly available. She's always taken the  
6 side of the challenger, and this is in more than 120 times.  
7 And in 13 of those times at least she has given this same  
8 testimony for Defendants' counsel.

9           All of these facts, Your Honor, call into question  
10 Dr. Hall-Ellis's credibility, and Defendants have the  
11 burden to show public availability. They've chosen to rely  
12 almost solely on Dr. Hall-Ellis's testimony, and the Court  
13 or the jury could choose not to believe her because of  
14 these credibility issues.

15           Defendants also improperly rely on the IEEE  
16 copyright dates in these particular instances for the  
17 conference proceedings, but the Federal Circuit and this  
18 district has already made clear that the copyright date  
19 does not show public accessibility.

20           Defendants cite to a PTAB decision as supporting  
21 their conclusion, but in 2016, the PTAB specifically said  
22 that the IEEE copyright notice is only probative that IEEE  
23 owns the copyright to the article. It is not probative  
24 that the article was ever published by IEEE or anyone else.

25           The only evidence here that is actually undisputed

1 is that IEEE made the three references in question  
2 available on its website in 2002. There is no evidence  
3 that's been presented that the IEEE has made those articles  
4 available prior to that date.

5 Also, Defendants rely on third-party articles that  
6 purportedly cite to Dyson, Choi, and Oliveira -- Oliveira.  
7 But those are also insufficient to show public  
8 accessibility for a couple of reasons.

9 First, because the cite -- it's unclear that the  
10 citing authors even received those references through  
11 public channels. It's very likely that because all of  
12 these citing articles are actually also IEEE conference  
13 papers, that the citing authors could have been present at  
14 the presentations that Dyson, Oliveira, or Choi made and  
15 received the paper in a small non-public distribution and  
16 then relied on that paper to cite in their article, or --  
17 and another question is whether or not the versions of  
18 Choi, Oliveira, and Dyson that are cited in these  
19 third-party articles are even the same versions of the  
20 articles that Defendants rely on. It's simply a citation.  
21 It's not clear what document is actually being referred to,  
22 and the document itself does not appear in the third-party  
23 articles.

24 For these -- for these reasons, Your Honor,  
25 because the copyright dates, the MARC rec -- the MARC

1 records, and the other publications are insufficient to  
2 show public accessibility, it's our position that enough  
3 factual questions and credibility concerns exist, that  
4 these questions should go to a jury in this case.

5 Thank you, Your Honor.

6 THE COURT: All right. Thank you, Ms. Patel.

7 Ms. Butler, do you have any follow-up?

8 MS. BUTLER: Yes, Your Honor.

9 THE COURT: Tell me, if you will, before you give  
10 me any follow-up argument, as precisely as you can, what is  
11 the evidence that these were publicly accessible prior to  
12 the time that the IEEE put them on -- online?

13 MS. BUTLER: Excuse me, Your Honor.

14 Your Honor, there's various evidence outlined  
15 here. It's first the evidence from the documents  
16 themselves, so that's the copyright date on the article,  
17 the copyright date on the Verso, the dates of the  
18 conference.

19 THE COURT: The copy -- the copyright date doesn't  
20 move me much as to accessibility. It does as to  
21 publication, but not as to accessibility. I mean, are  
22 these at the IEEE, indexed, and on a shelf where even  
23 before they were put on online, someone could walk in and  
24 say show me the conference materials from these dates, I  
25 want to look at this article that was alluded to during

1 that conference? Is there evidence of that? Tell me how  
2 there is proof of accessibility by the public.

3 MS. BUTLER: Your Honor, beyond the copyright  
4 dates, the proof of accessibility is -- is their  
5 availability in libraries, offered through the testimony of  
6 Dr. Hall-Ellis, who analyzed the MARC records and  
7 determined that the references were available in libraries  
8 by dates certain from the entered dates on the MARC record.

9 THE COURT: And is that factually disputed by  
10 Plaintiffs through either a counter-designation or any  
11 other expert?

12 MS. BUTLER: No, Your Honor. Plaintiffs are not  
13 offering any librarian expert or other expert of their own  
14 on public availability.

15 THE COURT: Okay. Now, having answered those  
16 questions, go ahead and give me any follow-up argument you  
17 have.

18 MS. BUTLER: Yes, Your Honor. I wanted to follow  
19 up on the -- first on IV stipulations. These references,  
20 first of all, predate by a similar amount of time, as the  
21 references issued here? So, for example, Passas was  
22 also -- also bears a publication date of November 1997,  
23 similar to the 1997 dates at issue here. And these -- IV  
24 raises the distinction of a conference, but, Your Honor,  
25 respectfully, that is an after the fact distinction because

1 these references were produced without the cover page that  
2 Dr. Hall-Ellis obtained that indicates that they are  
3 conference proceedings.

4 And so they were produced with -- like this with  
5 the first page of the reference and the copyright date at  
6 the bottom, and IV stipulated on that basis. This  
7 conference proceeding that we see here is a title page that  
8 Dr. Hall-Ellis obtained when she obtained the references  
9 from the library.

10 And, Your Honor, the copyright date is a date that  
11 the Federal Circuit found sufficient by the IEEE. And  
12 here, IV seems to be asking for a different result from a  
13 Dyson reference and a MILCOM '97 Proceeding as opposed to  
14 the MILCOM '98 Proceeding at issue there.

15 But, Your Honor, I'd also like to address the  
16 issues with Dr. Hall-Ellis's testimony that IV raises.

17 First, Dr. Hall-Ellis's testimony -- IV raises  
18 theoretical possibilities that these references were  
19 available at libraries at some date later than the date  
20 indicated in the MARC record, that there may have been some  
21 delay because, for example, they were a shelf-ready  
22 resource or a PCIP, so the MARC record perhaps was prepared  
23 in advance of their availability in a library.

24 But, Your Honor, if you look at her testimony, the  
25 item -- things like that, for example, a shelf-ready

1 resource involves the publisher putting a mylar jacket on  
2 the reference and then sending it to the library. And  
3 these sorts of delays simply don't result in a two-year  
4 delay, which is what we have here between the reference  
5 being received by the library and its availability.

6 And so even if we take IV's theoretical  
7 possibilities to their logical conclusion, there's simply  
8 no basis for a reasonable juror to conclude that any delay  
9 between the date on the MARC record and the item's  
10 publicity availability results in the reference post-dating  
11 the patent.

12 It's additionally not the case that Dr. Hall-Ellis  
13 analyzed the incorrect MARC records. There is only one  
14 MARC record for the reference in its different forms, and  
15 that ensures that the reference is authoritative. And,  
16 though, it can be updated, Dr. Hall-Ellis testified that  
17 this enter date that shows July 8th, 1997, upon which she  
18 relies is machine automated and cannot be changed or  
19 updated.

20 And, finally, the bias that IV -- alleged bias  
21 that IV refers to with respect to Dr. Hall-Ellis, the PTAB  
22 testimony they refer to are simply written declarations  
23 which don't fall within the scope of Federal Rule of Civil  
24 Procedure 26, and hence was not included in her report.

25 And, finally, Dr. Hall-Ellis testified that she

1 didn't know the priority dates for the patents in  
2 investigating these records. And so she didn't know in  
3 finding that Dyson was cataloged and indexed no later than  
4 July 8th, 1997, that in so finding that meant that -- that  
5 Dyson would be prior art.

6 THE COURT: All right. Anything further?

7 MS. BUTLER: Nothing further, Your Honor.

8 THE COURT: All right. Thank you, Ms. Butler.

9 The Court's persuaded that the copyright date is  
10 adequate to establish publication during the year of the  
11 copyright, which is indisputably in advance of the priority  
12 dates these would be used in connection with.

13 Given that there's no contravening declaration  
14 from an expert by the Plaintiffs, I'm inclined to accept on  
15 its face the statements by Defendants' declarant that these  
16 were publicly available in a library prior to the time they  
17 were placed online by the IEEE.

18 The fact that these may be part and parcel of a  
19 conference as opposed to a serial publication is of no  
20 import in the Court's view. They are clearly IEEE  
21 publications.

22 There is indicia of reliability here that doesn't  
23 exist in different context or situations with other  
24 publications or publishers.

25 The arguments by Plaintiff that Defendants'



1 declarant is not reliable, while they may be -- while they  
2 may be persuasive, if you can defeat this motion for  
3 summary judgment without offering contravening summary  
4 judgment evidence, no competing declaration, and merely say  
5 the Defendants' declarant might not be believed, then I  
6 don't think you could ever grant a summary judgment motion.

7 I'm going to grant the motion. I think on -- on  
8 balance, there's no reason why these should not be treated  
9 as prior art. They've been addressed by the experts.  
10 We've got competing opinions from the experts about their  
11 effect. The Court's going to grant the motion with regard  
12 to these prior art references.

13 Okay. That brings us to Defendants' Daubert  
14 motion regarding Williams. That's Document 209. And  
15 that's what we'll take up next.

16 Let me hear from the Defendants, please.

17 MR. BECKER: Your Honor, may I approach with  
18 copies of the slides?

19 THE COURT: You may. Counsel, we've got four more  
20 of these motions, including this one, and then we've got to  
21 get to motions in limine. Let's see if we can't -- I've  
22 tried to give everybody a lot of latitude on how much  
23 argument they want to present. But let's see if we can't  
24 pick up the pace a little bit.

25 Go ahead, counsel.

1 MR. BECKER: Thank you, Your Honor. My name is  
2 Jeff Becker for Defendants Ericsson and T-Mobile. I'm here  
3 to -- I'm going to be arguing Defendants' Daubert motion to  
4 strike portions of IV's validity report which is Docket  
5 209, and this relates to the exclusion of certain claim  
6 construction opinions which are present in that -- in that  
7 report which were never disclosed through the claim  
8 construction process in this case.

9 If you'd please go to Slide 2.

10 So these terms -- there's four terms that I'd like  
11 to talk about, and I'll try to get through them quickly.

12 There's no dispute that there was no claim  
13 construction offered by IV for any of these terms during  
14 the claim construction process that took place in this  
15 case.

16 "Packet" was a term that was involved in several  
17 disputed claim terms. Neither party proposed a specific  
18 construction for that term.

19 And then the term "packet-centric" was not  
20 addressed during claim construction.

21 "Reservation algorithm," not addressed except  
22 through a -- I guess collaterally through some  
23 means-plus-function terms that were addressed in a patent  
24 that has been -- since been found invalid.

25 And then the "scheduling" term which is recited by

1 the '206 patent.

2           So the issue here -- IV's argument is that  
3 its claim -- that its -- that its expert, Dr. Williams, who  
4 is offering opinions in this case on both infringement and  
5 validity, should be permitted to permit his plain meaning  
6 interpretations of these claim terms to the jury because  
7 they contend these are plain meaning -- just plain meaning  
8 in light of the specification. And should he be permitted  
9 to do that is the issue -- one of the two issues to be  
10 addressed in this case -- or with respect to this motion.

11           And we think the clear answer to that is no. I  
12 think once you look at his testimony, you'll see that he's  
13 not offering plain meaning. What he's done is he's  
14 acknowledged the plain meaning, looked at the  
15 specification, and is arguing for some different meaning to  
16 apply based on something he's divined from the  
17 specification.

18           And I'll show you some testimony and some examples  
19 in his report where he's doing just that. So he's not  
20 using -- he's not applying the prior art to the claims.  
21 What he's doing is he's making up interpretations of the  
22 claims and then comparing the prior art to those  
23 interpretations. And we think that's improper.

24           The second question for the Court to address is  
25 where do we go from here. As -- as we all know, we're a

1 month away from trial, so what do we do with these -- what  
2 we believe are clearly claim construction positions that  
3 are in his validity report. And I'll get to that as -- as  
4 well, as we go through this. Excuse me.

5           So the first question: Does he get to offer plain  
6 meaning opinions to the jury? They cite Cordis, which is a  
7 Federal Circuit case in support of that proposition, but in  
8 that case, the Federal Circuit held that that was an  
9 improper thing to do.

10           And if you look at the facts of that case, the  
11 Defendant was arguing for a meaning of the term "thin  
12 walled." And he had de -- that expert had defined some  
13 specific numeric ranges for what it meant to be thin-walled  
14 from the intrin -- intrinsic record. And the Court found  
15 that that kind of opinion of narrowing the -- narrowing the  
16 plain meaning in view of something the expert found in the  
17 intrinsic record was properly excluded from the jury. And  
18 they specifically found that the risk of confusing the jury  
19 is high in that situation, and that it was properly  
20 excluded. He was not allowed to testify on that.

21           That's the outcome we're asking for here on these  
22 claim terms. Excuse me.

23           So the first term at issue is "packet" term. I'm  
24 going to spend most of my time on this one, so forgive me  
25 if I -- I go through a little more testimony than I will

1 with the other ones. This -- and the reason is that this  
2 term appears in every single remaining asserted claim in  
3 the case.

4           And as you recall, we held a Markman hearing in  
5 September. There were several terms that involved the word  
6 "packet." The parties presented their arguments, and two  
7 of those terms here on the slide, they analyzed contents,  
8 they analyzed packet contents, both in the '517 patent,  
9 said plurality of packets in the '206 patent, Claim 9. In  
10 each of those instances, IV stood here in this Court and  
11 argued that those terms should have their plain meaning,  
12 and -- and they offered no different construction for the  
13 term "packet" than the word "packet" itself.

14           And consistently with that position, the Court  
15 construed both of those terms in terms of packets. And  
16 these are just recitations of your construction for those  
17 two terms where you found those terms, said plurality of  
18 packets refer back to the same plurality of packets recited  
19 in the phrase classifying a plurality of packets. There  
20 was no dispute about the use of the word "packet" in that  
21 construction.

22           Likewise, with the analyzed contents and analyzed  
23 packet contents in the '517.

24           So fast forward now to their validity report from  
25 Dr. Williams, and we find what they are claiming the plain

1 meaning of this term "packet" is, is they argue -- and he  
2 argues that that term refers only to a particular kind of  
3 packet, only to IP packets, and that in this patent, when  
4 it says "packet," that means only IP packet. Doesn't mean  
5 any other kind of packet. It doesn't mean ATM cell  
6 packets. It only means IP packet.

7 He also uses words that don't appear in the claims  
8 at all, like packet-centric and packet-switched, and argues  
9 that because these references don't meet his claimed  
10 definition of those words, that somehow that means the  
11 claims -- somehow that that definition relates to the  
12 claims. And we'll go through that, as well.

13 Excuse me.

14 So we think if you look at his opinions, what he's  
15 doing with the term "packet" is very clear. And this is  
16 directly from his report. He said: The clear intent of  
17 the patent specification is that the term "packet" does not  
18 include ATM cell.

19 And based on my review of the Malibu patent  
20 specifications, it's my opinion these patents use term  
21 "packet" to exclude ATM cell. So we deposed him after  
22 serving his report and asked him about that. And so -- and  
23 I -- I presented him with a dictionary definition of the  
24 word "cell" that in use -- when used in an ATM network,  
25 it's a small unit of data that's been broken up for

1 efficient transmission. And that's a term synonymous with  
2 packet.

3 And we asked him: So is this dictionary wrong?

4 No was his answer. It's not wrong. You could  
5 define a cell as a packet. These patents don't do that.

6 So we asked him: So your opinion is that they  
7 define the term "packet" differently than this dictionary?

8 Yes. This patent -- he says: They're -- talking  
9 about these patents, are talking about IP packets only.

10 So in IV's briefing, they repeatedly suggest that  
11 somehow these opinions are the plain meaning of the word  
12 "packet." And they suggest that he never used the term  
13 "lexicographer" to justify why he was using a different  
14 definition than the ordinary meaning of packet. And that's  
15 just not true.

16 He volunteered the fact that he was using  
17 lexicography, and he knew the ordinary meaning of this  
18 term, and that he was using something different.

19 THE COURT: Let me -- let me stop you and ask a  
20 question, Mr. Becker.

21 MR. BECKER: Sure.

22 THE COURT: Without construing every word in every  
23 claim in every patent as a part of claim construction, how  
24 do you suggest the Court keep competing expert witnesses  
25 during a trial from offering differing views of what a

1 person of ordinary skill in the art would understand a term  
2 which has been given -- either -- either it's been given  
3 its plain and ordinary meaning or it was never raised and  
4 addressed and therefore has its plain and ordinary meaning,  
5 how do you suggest I prevent experts in trial from  
6 disagreeing about what a POSITA would understand those  
7 plain and ordinary terms to be, unless you're going to have  
8 me construe every word in every claim?

9 MR. BECKER: Your Honor, just to make clear, I'm  
10 not asking for a construction of packet. I think that the  
11 word "packet" is readily under --

12 THE COURT: I know you're not asking for a  
13 construction of the word "packet."

14 MR. BECKER: Right.

15 THE COURT: But you're asking me to keep an expert  
16 from telling the jury what that expert's views and opinions  
17 are about whether a person -- how a person of ordinary  
18 skill would understand a term from one of the claims that's  
19 been given its plain and ordinary meaning or was never  
20 raised in claim construction and consequently has it plain  
21 and ordinary meaning.

22 I don't know how -- I've never tried a patent case  
23 where you didn't have competing experts, at least to some  
24 degree, offer differing views about what the plain and  
25 ordinary meaning of terms were that weren't precisely



1 construed and given definitions by the Court during claim  
2 construction. I mean, I can't say you -- competing experts  
3 can't talk about this unless you stipulate in advance  
4 exactly what the plain and ordinary meaning of every  
5 non-construed term would be.

6 It seems to me you're asking me to do something as  
7 a practical matter that is just not practical. So  
8 that's -- that's why I asked the question.

9 MR. BECKER: Well, Your Honor, in this case, I  
10 can't speak for every case. I'd probably need to give that  
11 more thought. But in this case I don't think --

12 THE COURT: The problem is -- the problem is if  
13 you ask me to do it in this case, everyone else will ask me  
14 to do it in every other case.

15 MR. BECKER: Well --

16 THE COURT: How many times have my prior rulings  
17 been cited to me today as to why I should do something in  
18 this case that was done in an earlier case? I mean, you're  
19 asking me to open a door I don't know that I can ever  
20 close.

21 MR. BECKER: Well, Your Honor, I'm not -- I'm not  
22 sure I'm asking that to be done. I think what --

23 THE COURT: That's the way it comes across. And  
24 if you're not, clarify it for me.

25 MR. BECKER: Right. What -- I think what we're

1 asking the Court to find here is that what Dr. Williams is  
2 doing is testifying about claim construction.

3 Now, there's a line between saying what's a plain  
4 and ordinary meaning, which I think is what you're talking  
5 about, and then an expert arguing a special meaning that  
6 differs from the ordinary meaning that he divined from the  
7 specification. And if -- if he falls into that second  
8 category, he's testifying about claim construction, not  
9 plain and ordinary meaning.

10 So in this case, and I think the testimony we have  
11 on the screen is -- makes that clear. If we go down to his  
12 last question, he says an AT -- I asked him: But an ATM  
13 cell, least in this dictionary definition, is synonymous  
14 with the ordinary meaning of packet?

15 He says: Yes.

16 So he knows what the ordinary meaning is. He's  
17 chosen not to apply the ordinary meaning in favor of a  
18 special definition. And -- and the very last sentence of  
19 that he says: But in this case, the inventor, as I  
20 understand it, gets to be his own lexicographer. He calls  
21 a packet a particular thing. He drew a distinction between  
22 what he calls a packet and an ATM cell. And, therefore,  
23 that's the definition I used.

24 So he's not -- he's not saying -- he's not  
25 offering an opinion of what plain and ordinary meaning is.

1 He -- he's -- he's acknowledged that he's not doing that.  
2 And so that's -- that's the problem I see, and I think that  
3 that kind of behavior can be prevented from an order from  
4 the Court. This is not a situation where he's opining on  
5 plain and ordinary meaning.

6 If you go forward in his testimony, we offer him  
7 two plain and ordinary meaning definitions of packet, and  
8 under those definitions, he agreed that an ATM cell would  
9 meet those definitions. So he's not applying plain and  
10 ordinary meaning here. I think that's -- that's the  
11 problem we have. It's -- it's not that he gets -- doesn't  
12 get to explain what common telecom words mean. It's that  
13 he's acknowledged what those definitions are and has set  
14 them aside in favor of reading something out from the spec  
15 that's frankly not there.

16 THE COURT: All right.

17 MR. BECKER: So we can -- we can fast forward.  
18 You know, this -- this is the standard that I'm talking  
19 about here. This is from an ED Tex case from -- from Judge  
20 Payne. He says: If an expert testifies that a claim term  
21 has a special meaning in light of the intrinsic record,  
22 that expert is testifying about claim construction.

23 So he's not -- and that's exactly what  
24 Dr. Williams is doing here. He's acknowledged ordinary  
25 meaning, and he's saying, but here in this patent, these

1 terms mean something different. And that's properly  
2 excludable under Daubert and under the Federal Circuit  
3 precedent that I -- that I quoted from Cordis.

4           So just -- and just to make clear and -- and to  
5 highlight the unreliability of his opinion, because he is  
6 offering a claim construction opinion about what this term  
7 "packet" means in light of the specification, he says it's  
8 different than the ordinary meaning. They met some special  
9 definition that excluded ATM cells. Well, his opinion  
10 conflicts directly with the specification, which talks  
11 about multiple kinds of packets, not just IP packets.

12           So the patent talks about an IP packet format, an  
13 ATM cell packet format, talks about a different kind of  
14 packet called an IPX packet. And I have the cites here on  
15 this Slide 14 from the specification. These are direct  
16 quotes from the spec.

17           So there's no basis for him to go to the jury and  
18 argue that these claims are limited to only particular  
19 kinds of packets, IP packets. The specification itself  
20 talks about multiple kinds of packets. That's an  
21 unreliable opinion. That's claim construction. He's  
22 not -- he should not be permitted to do that.

23           THE COURT: And the Court did not precisely  
24 construe the term "packet" during claim construction,  
25 correct?

1 MR. BECKER: That's -- I mean, you used the word  
2 "packet" in the claim, the meaning of that term --

3 THE COURT: Let me ask it another way. Neither  
4 your side or the Plaintiff's side came to me at claim  
5 construction and said, Your Honor, we need you to construe  
6 the word "packet"?

7 MR. BECKER: That's correct, and that's still our  
8 position today, that it doesn't need construction. And  
9 arguing artificial restrictions on what that means and it  
10 can only be particular packets or only particular kinds of  
11 systems, that's -- that's kind of claim construction  
12 opinions that an -- that an expert shouldn't be permitted  
13 to make.

14 THE COURT: All right. What else do you have for  
15 me?

16 MR. BECKER: Sure. I just have --

17 THE COURT: I mean, if this is more of the same, I  
18 understand where you're coming from.

19 MR. BECKER: Right. Okay.

20 So I want to cover this one very -- I'll move -- I  
21 wanted to cover packet at length. That's a big one.

22 THE COURT: I think it's been covered.

23 MR. BECKER: Right. So he also uses the term  
24 "packet-centric" to distinguish prior art. That term  
25 doesn't appear in the body of any claim. The packets talk

1 about -- the patents and the claims talk about packets.  
2 There's no recitation anywhere of packet-centric. So he's  
3 taken this word "packet-centric," made up his own  
4 definition for it, decided for himself what kind of systems  
5 are excluded or included with respect to packet-centric,  
6 and then he says: Because of this system is not  
7 packet-centric, it doesn't meet the claim.

8           The problem is no -- none of these claims say  
9 packet-centric anywhere. They don't claim a packet-centric  
10 system. This is a quote from his -- from his report. He  
11 says: The '629 patent is claiming a packet-centric system.

12           It's not. It doesn't say packet-centric anywhere.  
13 Those are words he's added to the claim, and there's not  
14 really been any explanation for why he could -- should get  
15 to distinguish prior art based on a term that's not even in  
16 the claim.

17           THE COURT: Okay.

18           MR. BECKER: And that's true with respect to all  
19 of the remaining claims. The only one that mentions  
20 packet-centric is in the preamble. It's presumed not to be  
21 limiting.

22           So, again, he's -- just to cover these last two  
23 terms quickly -- I only have like two slides each on  
24 these -- he is -- for "reservation algorithm," he's made up  
25 these four requirements for what it means to be a

1 reservation algorithm. This is not a claim construction.  
2 This is just him saying that this -- this reservation  
3 algorithm requires these four things. And because  
4 it doesn't -- the prior art doesn't have these four things,  
5 the claim is not met.

6 Well, if this was a claim construction, this would  
7 have been a bonanza for our non-infringement argument.

8 Our non-infringement expert had no notice of this  
9 -- that this was their construction for reservation  
10 algorithm, didn't get to address it in his report, and yet  
11 here they are making up these requirements for this term  
12 and trying to use it to distinguish prior art. And we  
13 don't think that's proper.

14 He does the same thing with scheduling. I won't  
15 go through it in detail. But he's using a construction for  
16 scheduling that's not the ordinary meaning of that term.

17 So I guess our summary is and what we think should  
18 happen from here, and you asked me that question earlier,  
19 we don't see an 02 Micro issue here. The -- the word  
20 "packet" as it appears in your constructions is perfectly  
21 fine. The word "packet-centric," there's no 02 Micro  
22 dispute because that's not a term of any claim that needs  
23 construction.

24 THE COURT: I gather you have a competing expert  
25 prepared to take the stand during trial to tell the jury

1 that Plaintiff's expert's explanation as to what packet  
2 means is just not right and why it's not right and why --  
3 tell the jury why -- what you've just told me is the case?

4 MR. BECKER: Well, Your Honor, we had no notice  
5 that they were arguing that packet was limited to IP  
6 packets only. And our invalidity expert has prepared his  
7 report, selected prior art based on the ordinary meanings  
8 of these terms, ATM cells are packets. Their expert  
9 concedes that.

10 So our whole selection and our Defendants -- and  
11 our experts' selection of what art he was going to choose  
12 to put in his report was based on these plain meanings.  
13 So, no, he's not argued that -- he's not explained how, you  
14 know, IP -- this claim is not limited to IP packets. He's  
15 had no opportunity to address that.

16 THE COURT: Your expert is not going to get up and  
17 agree that this is the plain and ordinary meaning of these  
18 terms as portrayed by Plaintiff's expert. Your expert is  
19 going to get up and tell the jury what the Plaintiff's  
20 expert told you the plain and ordinary meaning is, is not  
21 the plain and ordinary meaning, I assume. That's my  
22 question to you.

23 MR. BECKER: I don't think he's going to do that.  
24 What our expert is prepared to do is he's addressed --  
25 like, for example, with the "packet-centric" term, our



1 non-infringement expert has said if this -- if this  
2 "packet-centric" term applies and it's limited in the way  
3 that they say it is, then we have this additional  
4 non-infringement argument. He's not offering claim  
5 construction opinions on what that means.

6 He's offered explanations as to how the prior art  
7 may meet packet-centric, but not -- again, not with respect  
8 to claims that don't recite it. The '206 patent doesn't  
9 recite packet-centric --

10 THE COURT: I understand.

11 MR. BECKER: -- so he hasn't addressed that claim  
12 construction or that term with respect to art that's only  
13 in that -- in that packet.

14 THE COURT: All right. Let me hear a response  
15 from Plaintiff.

16 MR. BLACK: Thank you, Your Honor. Martin Black  
17 for Plaintiff again. May I approach and hand up one  
18 document, Your Honor?

19 THE COURT: You may.

20 MR. BLACK: So I -- what I've just handed up is  
21 the final written decision in the IPR relating to Patent  
22 7,496,674. This is Exhibit 2001 from that IPR, which is  
23 referred to in the papers. This is the family member of  
24 the patents at issue in this case, and this decision was  
25 issued on May 18th, 2015. This is a final written

1 decision.

2 And on Page 8 -- switch to the ELMO.

3 On Page 8, this is the PTAB's construction, and  
4 it's an ordinary plain meaning construction. They say:  
5 Claim terms generally are construed in accordance with the  
6 ordinary and customary meaning. Then there's a little  
7 Footnote 8 that says: The Federal Circuit imposes a  
8 stringent standard for narrowing a claim. They're not  
9 applying that standard. And then they go on to consider  
10 the specification as a whole in construing the word  
11 "packet." And they say: The overall context in which  
12 packet is used relates to communication over  
13 packet-switched networks.

14 And then as it flips over, particularly with  
15 respect to the contention that a packet should be  
16 construed, et cetera. And then after reviewing the  
17 specification and applying a plain and ordinary meaning,  
18 the PTAB comes to the conclusion that we will construe a  
19 packet as a piece or segment of data, slash, media stream  
20 that serves as a unit of transmission over a  
21 packet-switched network. That's the construction. May  
22 2015, they were involved in that IPR. That was the  
23 construction that the Patent Office said was ordinary  
24 meaning.

25 Now, we come to this case, and they file an IPR in

1 this case against the patents-in-suit, all -- several IPRs.  
2 And in each one of those patents, they do not ask for a  
3 construction of packet. They do not inform or discuss with  
4 the Patent Office the fact that the word "packet" had  
5 already been construed.

6 IV, however, points out to the Patent Office in  
7 its filing that this term has already been construed to  
8 mean a piece or segment of a data/media stream that serves  
9 as a unit of transmission over a packet-switched network.  
10 And then IV sought to distinguish various ATM pieces of  
11 prior art based on that construction.

12 They didn't take a position. We did. But that's  
13 an ordinary meaning construction. That's what the board  
14 said was the ordinary meaning.

15 So then we get to the final -- it's not a final  
16 written decision, but the institution decision in the case,  
17 and the board -- the board says -- I'm sorry, I've got the  
18 wrong one. Okay. There we go. The board construes packet  
19 and concludes that consistent with the construction applied  
20 in the prior IPR, we construe packet to mean a piece or  
21 segment of data/media stream, et cetera.

22 This construction is a plain and ordinary meaning  
23 construction. It was developed by looking at the  
24 specification and reading it in light of the claims.  
25 That's what you're supposed to do. That's what our expert

1 did. He came to the conclusion that this is what the  
2 claims mean, and that's how he applied the construction.

3 So that's the appropriate way to do an expert  
4 analysis. You don't look at just a random dictionary  
5 definition. You have to look at the specification as  
6 whole. Here we're applying the PTAB's construction.

7 They're saying that we've made this thing up from  
8 out of -- out of the air and effectively asking for summary  
9 judgment on it when it's contested.

10 Now, they've been very clear. They have not asked  
11 for a construction of packet, Your Honor. They have said  
12 02 doesn't apply. I'm not sure that's right.

13 If we have an issue about claim construction, the  
14 Court may need to deal with it. I'm a little concerned  
15 about how the trial is going to go in that respect, and we  
16 may need to make an 02 request to adopt this construction.  
17 This would solve the problem if we took this construction  
18 from the PTAB.

19 But we're going to have to have the experts  
20 reading the specification and giving their opinions in  
21 light of plain and ordinary meaning, but that does not mean  
22 that we have to accept one dictionary definition from them.

23 You must read it in the context of the claims. We  
24 used ordinary meaning construction, and that was  
25 appropriate. That's the heart of -- that's the heart of

1 the matter.

2 THE COURT: Anything further, Mr. Black?

3 MR. BLACK: No, Your Honor. Just I wanted -- I  
4 guess there is one last thing, which is I -- there's always  
5 a line between what is claim construction and what is the  
6 application of the construction to the facts in the real  
7 world. There's always -- there's always a line there.  
8 There's always going to be some terms that a -- that an  
9 expert has to explain what he -- he or she thinks is the  
10 ordinary meaning.

11 And the position that they've taken is, as Your  
12 Honor has implied in the questioning, completely  
13 unworkable. But here I wanted -- I wanted to point out  
14 that the construction that we've been applying that they  
15 say is made up and fantastical is actually the one that the  
16 board applied in the IPR, and that they knew about since  
17 May of 2015, and they're claiming waiver and that we  
18 tricked them and all that. It's nonsense.

19 THE COURT: Of course, the PTAB's standard for  
20 claim construction is different than the district court's  
21 standard.

22 MR. BLACK: It -- it is.

23 THE COURT: At least as of that time.

24 MR. BLACK: It -- it can be, yes. It can be  
25 different. In the end, they usually end up with the same

1 constructions, but my point -- that was a plain and  
2 ordinary meaning construction, which is what we've done  
3 here.

4 THE COURT: All right. Do you have anything as a  
5 way -- by way of short follow-up, Mr. Becker?

6 MR. BECKER: Brief follow-up, Your Honor.

7 THE COURT: Well, let's apply the plain and  
8 ordinary meaning at brief.

9 MR. BECKER: No numerical limits, right?

10 Your Honor, just really quickly, on this -- this  
11 IPR, the construction that -- that co -- that Plaintiff's  
12 counsel just pointed out, that's absolutely not the claim  
13 construction that Dr. Williams applied. He was very clear  
14 in his testimony that when he looks at the word "packet,"  
15 that means IP packet only.

16 This construction is much -- is much different  
17 than that. This is as a unit of data for transmission in a  
18 packet-switched network. There's nothing about that  
19 construction limiting the term -- the plain and ordinary  
20 meaning to IP packet only.

21 And so the construction that Dr. Williams is  
22 actually using conflicts with what Plaintiff's counsel just  
23 said. He's not using that construction. He's saying IP  
24 packet only, and there's some specific exclusion of  
25 different kinds of packets other than that.

1           So that -- the idea that this is the construction  
2 that they applied is just not true.

3           And I think that -- I think that's -- that will do  
4 it for me. I guess I'll keep it brief.

5           THE COURT: All right. Well, first of all, the  
6 Plaintiffs are not going to tell the jury packet means this  
7 because the PTAB said packet means this. We're not going  
8 to argue construction of a quasi-judicial body that's not a  
9 part of this Court to the jury in this case.

10           In every case, there is almost inevitably a  
11 reality of dueling experts, both as to ultimate opinions  
12 and to issues as to plain and ordinary meaning of term  
13 language that's not construed by the Court or that's been  
14 held to be subject to its plain and ordinary meaning.

15           Daubert is a severe remedy. Ask the Court to take  
16 testimony away from the jury, rather than trust the jury to  
17 hear it and address it through vigorous cross-examination.

18           I don't find Plaintiff's retort that the PTAB  
19 construed it the way we say it should be given its plain  
20 and ordinary meaning to be compelling at all, but that  
21 doesn't -- that doesn't mean that I'm prepared to exercise  
22 from his report those portions of Plaintiff's expert  
23 opinion that may relate to the plain and ordinary meaning  
24 of these terms as disputed by Defendants in their motion.

25           The Court can't construe every word of every claim

1 term. There is a line between applying plain and ordinary  
2 meaning and an expert setting himself or herself up as a  
3 substitute for the Court and offering legal constructions  
4 as to claim construction.

5 I'm not persuaded there's an O2 Micro issue here.  
6 I'm not prepared to strike the portions of the expert's  
7 report challenged by Defendants. I'm prepared to go  
8 forward on it with vigorous cross-examination from the  
9 Defendants.

10 I'll hear the evidence. If -- if post-trial based  
11 on the verdict I'm persuaded that the jury was misled or  
12 misinformed, there are tools the Court can or can't -- or  
13 can use in light of whatever that verdict might be.

14 I'm going to deny the Daubert motion at this  
15 point, but I want Plaintiffs to be clear, I don't want to  
16 hear anything about the PTAB and its construction before  
17 this jury with regard to packet or any other term.

18 That's irrelevant, and it may go to your argument  
19 that what your expert says is, in fact, plain and ordinary  
20 meaning, but from -- from a jury confusion standpoint and  
21 from a prejudicial standpoint, I think it's -- I think it's  
22 inappropriate that that be raised before the jury. And I  
23 want to make that clear at this point so that there's no  
24 slip-up and it's done during the trial.

25 The motion is denied.



1 All right. Let's go to the next pre-trial motion,  
2 which is Defendants' Daubert motion regarding Plaintiff's  
3 expert, Chrissan. That's Document 211.

4 MR. KUBEHL: Your Honor --

5 THE COURT: Yes, sir.

6 MR. KUBEHL: -- before we take that up, can I just  
7 ask for one point of clarification? And I know you might  
8 need a little time to think about this, but just to raise  
9 the issue.

10 So we've got an situation now where in a rebuttal  
11 report for the very first time their expert has raised  
12 these -- these new constructions that we hadn't heard about  
13 in this case, and he's going to make these arguments. And  
14 our experts already had filed their reports not knowing  
15 about those and not addressing those.

16 THE COURT: If you want to move -- if you want to  
17 move leave for a supplemental report for the tailored  
18 purposes of addressing those terms, then I'll look at your  
19 motion. And there shouldn't -- there shouldn't be need for  
20 much time to respond to it from Plaintiffs, and I'll try to  
21 give you a prompt answer, but you need to put it writing.  
22 And to the extent that's where you're headed and that's  
23 what you want to ask for, put it in writing and get it to  
24 me ASAP.

25 MR. KUBEHL: Thank you, Your Honor.

1 THE COURT: Let's go on, and we'll take up  
2 Defendants' motion to exclude expert opinions of  
3 Dr. Douglas A. Chrissan.

4 All right. Counsel, let me hear from -- from  
5 Defendants.

6 MR. RUBENSTEIN: Thank you, Your Honor. Jonathan  
7 Rubenstein for the Defendants, and I will be arguing the  
8 Defendants' motion to exclude Dr. Chrissan.

9 May I please approach, Your Honor, with some  
10 copies of the presentation?

11 THE COURT: You may.

12 MR. RUBENSTEIN: Your Honor, there are really two  
13 simple points that we want to make here, and I want to take  
14 your guidance to -- to keep this and the remaining motions  
15 brief, so I will try to simplify it like that.

16 The first one is that Dr. Chrissan is not  
17 qualified to do what he does here. And, number two, what  
18 he does he do is so devoid of analysis and support that it  
19 just cannot be reliable enough to send to a jury in this  
20 case.

21 So what is Dr. Chrissan really doing? It's  
22 important to put his opinions in perspective because it  
23 really sheds light on what he's doing when we -- and how it  
24 fits into the case when we walk through his methodology.

25 The one and only purpose of his analysis is to

1 provide valuation for damages, and saying that actually  
2 reminds me to clarify one thing.

3 Dr. Chrissan's report has two very distinct  
4 components to it. One is a source code analysis, and the  
5 other is this relative technical valuation analysis.

6 The Defendants' motion is directed only to the  
7 latter part. And so when -- when I say that the only  
8 purpose of his analysis is -- is to provide a valuation for  
9 damages, I'm referring just to the subject of this motion,  
10 which is the relative technical valuation.

11 And despite admitting in his deposition that his  
12 analysis is not an economic analysis, his opinion is  
13 effectively just that here.

14 IV says in its -- in its response brief that --  
15 that this is just a -- a comparability analysis that is to  
16 be used as an input to Mr. Bratic's comparable license  
17 analysis. Mr. Bratic is -- is IV's primary damages expert.  
18 But that's not how this is used, Your Honor.

19 This is a valuation that is applied directly as a  
20 numerical apportionment to Mr. Bratic's royalty rate. And  
21 we have to understand this context as we walk through his  
22 analysis and discuss his -- discuss the flaws of it.

23 THE COURT: And isn't he as a technical person and  
24 not an economist basically saying this is more important in  
25 the industry than that is? He's not putting dollar figures

1 on any of this. He's allocating value and worth and  
2 importance within the technical world, not the economic  
3 world. Would you --

4 MR. RUBENSTEIN: Yes.

5 THE COURT: -- agree with that?

6 MR. RUBENSTEIN: Yes, I do. And -- and  
7 Dr. Chrissan admits, as we'll see in a slide coming up,  
8 that he in no way intended his opinion to be an economic  
9 valuation. It was an opinion about the technical merits of  
10 the patents that he analyzed.

11 THE COURT: The problem is we've got the two-word  
12 phrase "technical valuation," and you want to function on  
13 the valuation side and the other -- Plaintiffs want to  
14 function on the technical side. And there may be some  
15 truth to both. But let me go ahead and hear your argument.

16 MR. RUBENSTEIN: Thank you, Your Honor.

17 And you -- you hit briefly on -- on what I was  
18 just about to say. No matter how you brand this analysis,  
19 Dr. Chrissan isn't qualified to perform what he did or  
20 render opinions about it.

21 He -- Dr. Chrissan is a source code expert. He's  
22 trained as an engineer. He's not an economist. He doesn't  
23 have any background whatsoever in finance or financial and  
24 economic valuations. And he's certainly not qualified to  
25 perform an economic valuation, which this is -- which this

1 opinion effectively is.

2 But even if we believe that -- that his analysis  
3 is just a technical analysis, he doesn't have any  
4 experience doing what he did here and isn't qualified to  
5 provide those opinions about it.

6 And so what we have here is -- I've just  
7 highlighted a case that we cited in our brief. While an  
8 expert may rely solely upon experience, he must explain how  
9 that experience leads to the conclusion reached, why that  
10 experience is specific -- is a sufficient basis for his  
11 opinion, and how that experience is reliably applied to the  
12 facts.

13 The problem here is that he doesn't have that  
14 experience that this case talks about. IV claims that  
15 Dr. Chrissan has patent valuation experience. And it's --  
16 and we've blown up a part of its opposition brief where  
17 they say he has experience determining the strengths and  
18 weaknesses of patented technology.

19 When he was asked in his dep -- deposition about  
20 whether he's ever done anything like this or made an expert  
21 report like this, he says: I've not done a portfolio  
22 analysis to this depth or a report to this depth. I've  
23 analyzed portfolios of patents -- I've analyzed portfolios  
24 of patents before, and I've analyzed patents before.

25 But what he does here, Your Honor, is

1 fundamentally different than analyzing a portfolio of a  
2 patent -- a portfolio of patents or analyzing patents.

3           What he's doing here is performing a relative  
4 valuation of the patents, which is a very, very different  
5 thing. And because Dr. Chrissan lacks any education or  
6 professional experience that would qualify him as an expert  
7 to provide those opinions to the jury, his opinions must be  
8 excluded.

9           But setting aside the issue of qualifications, the  
10 methodology that he uses contains numerous flaws, and I  
11 just kind of want to walk through them at a high level.

12           So, first, Dr. Chrissan was asked to review 18 of  
13 Ericsson's patents that it presented to ZTE, one of its  
14 licensees, during the course of that particular patent  
15 license negotiation. Then Dr. Chrissan evaluates each of  
16 those patents using the four criteria we see here,  
17 infringement, design-around potential, novelty, and  
18 importance to LTE or commercial value, which is sort of an  
19 interesting descriptor given Your Honor's question from a  
20 minute ago about the line between technical and economic  
21 value and what he's doing here.

22           Then he places each of these 18 Ericsson patents  
23 into one of three buckets. He calls them A-Level, B-Level,  
24 and Low Value. Then he goes on to evaluate the Malibu  
25 patents-in-suit. And finally, he creates a numerical

1 comparison between the technical value of the  
2 patents-in-suit and the 18 Ericsson patents that he looked  
3 at.

4 And, Your Honor, we -- you know, as will become  
5 evident, we believe that there are numerous flaws in each  
6 of these steps of the analysis, but we'll kind of, you  
7 know, try to make this efficient and blow through and hit  
8 the high points.

9 The first one is what he looked at. He was only  
10 asked by IV's counsel to review 18 Ericsson patents.

11 He has no understanding of why he was asked to  
12 look at those 18. And he knows that Ericsson has more than  
13 just 18 LTE patents in its portfolio. Yet he just looked  
14 at this 18. This is sort of a situation of purposeful  
15 tunnel vision. He kept his head down and didn't ask any  
16 questions about why the analysis was so limited.

17 Then he takes these 18 patents, and he evaluates  
18 them on these four criteria. And in each of these -- with  
19 each of these four, he assigns a high, medium, or low  
20 designation to each of the 18 patents with respect to  
21 infringement, design-around potential, novelty, and  
22 importance to LTE.

23 With respect to infringement -- and we see this  
24 over and over and over again, 18 times, once for each  
25 patent. Dr. Chrissan simply recites selected claims from

1 that patent and portions of that patent's abstract, then  
2 provides an opinion about whether each of those 18 patents  
3 reads on the LTE standard.

4 But the problem, Your Honor, is that in support of  
5 his opinions about whether he thinks the patent does or  
6 doesn't read on the LTE standard, he doesn't cite to  
7 anything at all, nothing that helps us answer the question  
8 why do you think that? Well, what else did you consider?

9 This is simply his -- his own bald opinion about  
10 whether he thinks it -- whether he thinks the -- the patent  
11 reads on the standard.

12 And the same type of cursory analysis is true for  
13 each of the other three buckets, design-around potential,  
14 novelty, and importance.

15 Dr. Chrissan provides no more than a single  
16 paragraph of analysis for each of these things per patent.

17 There's no empirical data, testing, simulations,  
18 or anything like that to support his position about  
19 design-arounds. There's no prior art mentioned at all in  
20 his novelty opinion. And there's no data to support his  
21 assessment of importance to LC -- LTE or the commercial  
22 value.

23 And in response to this criticism, IV says in its  
24 opposition brief that, well, for -- as an example on Page 8  
25 of their opposition brief, for validity, Dr. Chrissan



1 offered specific reasons for calling the presumption of  
2 validity into question for some patents. And then they  
3 cite a few example paragraphs.

4 Well, we went to the first example paragraph to  
5 see what they meant by specific and we blew that up on the  
6 right. This one has to do -- this particular paragraph has  
7 to do with novelty, and it doesn't take long to get  
8 through.

9 He says: The con -- concept of the claim is  
10 simple to a person of ordinary skill in the art. He talks  
11 about how the claim recites assigning a temporary ID to a  
12 mobile station.

13 And then he says: There's nothing unique or novel  
14 about assigning a temporary ID to a mobile station to base  
15 station connection. And for this reason, this patent is  
16 especially vulnerable to a validity challenge. Full stop.  
17 That's it. That's all we get.

18 And, you know, he cites to absolutely nothing  
19 there to support this opinion about novelty. And this is  
20 simply an example. We see this over and over and over  
21 again. His report is a facsimile, so to speak, of these  
22 two -- of that paragraph.

23 Then he goes on to do his grouping exercise where  
24 Dr. Chrissan places each of the -- the 18 Ericsson patents  
25 that he reviews into three buckets, A-Level, B-Level, and

1 Low Value. And I want to show this page here because this  
2 is really all we get for his methodology of how he  
3 determined what was in his mind A-Level, what was B-Level,  
4 and what was Low Value.

5 He says that the A-Level patents rate high for  
6 infringement and importance and at least medium for  
7 novelty.

8 The B-Levels have -- rate high for one of  
9 infringement or importance and medium for the other and at  
10 least medium for novelty.

11 And then he places three patents in the A-Level  
12 and seven patents in the B-Level, and he says the rest are  
13 Low Value.

14 This grouping method was made completely from  
15 whole cloth. It was made up by Dr. Chrissan with no  
16 ability for anyone to check this methodology to see whether  
17 it is reliable or whether it would lead to any meaningful  
18 opinions that would be appropriate for the jury to  
19 consider.

20 After he evaluates the Ericsson patents, he goes  
21 to the Malibu patents-in-suit, because that's, of course,  
22 the other side of the equation when we're talking about a  
23 relative valuation.

24 His evaluation of the Malibu patents is really  
25 just an explanation of what each patent covers.

1 Dr. Chrissan doesn't do any kind of analysis along the same  
2 lines of what he did with the Ericsson patents. There was  
3 none of this infringement, design-around potential,  
4 novelty, importance. He didn't do any of that. None of  
5 the bucketizing.

6 And I raise that because if we are doing a  
7 relative comparability analysis, it seems very curious that  
8 the -- that the two analyses that are being done are very  
9 different in nature.

10 And, finally, the -- the result of this -- of  
11 Dr. Chrissan's analysis is his creation of a numerical  
12 comparison between the technical value of the  
13 patents-in-suit and the 18 Ericsson patents.

14 And I want to put up these two paragraphs, 274 and  
15 275 of his expert report, that tell us his opinion here.  
16 And I'll -- I'll read the two -- from 274, he says: My  
17 opinion is that the set of four Malibu patents have more  
18 technical value than any two of the Ericsson-ZTE A-Level  
19 patents together and possibly all three.

20 And for the B-Levels, he says that his opinion is  
21 the set of -- is that the set of four Malibu patents -- and  
22 incidentally, this report was done at a time prior to Your  
23 Honor's dismissal of the '9 -- the claims in the '971  
24 patent, so that's why we see four as opposed to the three  
25 that remain today. And so he says that -- that the four

1 Malibu patents have more technical value than any six of  
2 the Ericsson B-Level patents together and possibly seven.

3           There is no explanation here or anywhere about how  
4 he concluded that, you know, the four patents have more  
5 value than two of the A-Level patents. Why not one? Why  
6 not all three?

7           No explanation for the B-Levels about why it was  
8 six and not four or three or two or -- or anything that  
9 really gives us an insight about how he was able to  
10 quantify his opinion based on his review of these patents.

11           And, Your Honor, this is -- the -- the -- the  
12 conclusion that, you know, that there's -- that the  
13 technical value is, you know, more than any two or more  
14 than any six combined, this is the type of opinion that we  
15 saw LaserDynamics forbid.

16           And when -- LaserDynamics, just as a refresher,  
17 said: Apportionments plucked out of thin air based on  
18 vague qualitative notions of relative importance of the  
19 technology should be excluded. Those aren't reliable, and  
20 that's 694 F.3d 51 at 69. This is what -- this is exactly  
21 what we're looking at here. These numbers were plucked out  
22 of thin air by Dr. Chrissan with no explanation for them.

23           And we have to remember that -- that this  
24 quantification of technical value is the sole input for the  
25 apportionment of the royalty rate in Mr. Bratic's damages

1 opinion, which we'll talk about in a little bit.

2 But that's a major disconnect because of what we  
3 discussed at the very beginning of this presentation, which  
4 is Dr. Chrissan told us in his deposition that he didn't  
5 attempt to provide any opinions about economic value and  
6 that he agreed that his opinions are based on technical  
7 value and what he perceived as technical merits.

8 Now, finally, Your Honor, I did bring up the --  
9 the issue about how his analysis was of the four Malibu  
10 patents and not the three that remain.

11 After the Court's -- after the Court's order  
12 dismissing the claims of the '971 patent and certain claims  
13 of the '206 patent, Dr. Chrissan submitted a supplemental  
14 expert report where he attempted to sort of -- well, this  
15 may be an imprecise term but apportion his opinion about  
16 the relative value of the four patents --

17 THE COURT: I've read the supplemental report.

18 MR. RUBENSTEIN: Okay -- to -- to just the three  
19 patents. And what we see here is effectively all we've  
20 got. I believe the contribution of the remaining claims of  
21 the patents to be 5/6ths of the original technical value.  
22 That's it.

23 Again, another number that has just been plucked  
24 out of the air without any basis for us to determine how it  
25 was calculated or challenge it or otherwise determine that

1 it's reasonable.

2 Thank you, Your Honor.

3 THE COURT: Before I hear a response from  
4 Plaintiff, let's take a short recess. When we come back,  
5 I'll hear Plaintiff's response.

6 COURT SECURITY OFFICER: All rise.

7 (Recess.)

8 COURT SECURITY OFFICER: All rise.

9 THE COURT: Be seated, please.

10 All right. Let me hear Plaintiff's response.

11 MR. FLANNERY: Good afternoon, Your Honor.

12 Kevin Flannery for IV.

13 THE COURT: Go ahead, Mr. Flannery.

14 MR. FLANNERY: Thank you, Your Honor.

15 What -- what IV's experts have done here with  
16 respect to the damages analysis is simulates what happens  
17 in the real world. The -- and we've discussed this at  
18 length in our brief with respect to showing what -- exactly  
19 what Ericsson itself does in its licensing practices in the  
20 real world.

21 And what happens is we have a coordinated effort  
22 between economists and a technical specialist, somebody can  
23 analyze the technical merits of patents. That's -- that's  
24 Dr. Chrissan's role here.

25 If we take the normal patent cases that happen

1 every day throughout the country where, for example, say we  
2 have one patent at issue in a case and then there's a  
3 comparable royalty -- a comparable license that's being  
4 analyzed that has one patent and a royalty rate associated  
5 with it, the royalty rate is the value that's associated  
6 with that comparable patent.

7 But what the -- the technical expert does is come  
8 in, draws a comparison, and says, wait a minute, the  
9 patent-in-suit here is technically comparable to the patent  
10 that is the subject of that license.

11 And then from there, a damages expert will go and  
12 do their economic analysis and compare the royalty terms or  
13 the price, for example, for that patent that is the subject  
14 of the license and come up with a price or royalty or  
15 whatever it might be, a lump sum for the patent-in-suit.

16 So that happens all the time. The Federal Circuit  
17 has said that's a normal way to do a comparable analysis --  
18 a comparable license analysis for damage purposes under  
19 Georgia-Pacific, and that is what happened here.

20 If -- if the Court were to strike Dr. Chrissan's  
21 technical valuation because it relates to damages and  
22 because somehow ultimately that technical valuation feeds  
23 into economic valuation by a damages expert, that calls  
24 into question not only what happens every day in the real  
25 world but what the Federal Circuit has already found to be

1 reliable and a normal way of analyzing patent damages.

2           So I think that that's really the most that I want  
3 to say unless Your Honor has questions about the -- the  
4 ability of Dr. Chrissan or his -- his ability to evaluate  
5 the situation here, his expertise.

6           The rest of their analysis, I think really goes to  
7 the quality of his analysis and the -- the merit of his  
8 analysis that are subjects for cross-examination.

9           The --

10           THE COURT: Talk to me about Dr. Chrissan's  
11 supplemental report.

12           MR. FLANNERY: Okay, Your Honor. I think that by  
13 that point, we had got to the point where Dr. Chrissan had  
14 done extensive analysis of all the Ericsson patents and all  
15 of the Malibu patents, and he had reported on that  
16 extensively. They -- they were able to take his deposition  
17 on that subject.

18           And then Your Honor eliminated one of the patents  
19 from the case, and Dr. Chrissan looked at the patents and  
20 the relative comparison of them, and we have to take into  
21 account he had already done extensive analysis of all the  
22 patents that were involved by now. And he said in his own  
23 opinion -- in his judgment that the patents are apportioned  
24 technically from their value in the following manner, and  
25 he did -- he did his apportionment.



1           Now, at the end of the day, the technical expert  
2 always has to do some judgment to come up with some way to  
3 determine some valuation from a technical component.

4           This -- this patent is more important than that  
5 one or these patents are equal. That's their judgment.

6           What's notable here, Your Honor, Defendants never  
7 had a technical expert who came in and said wait a minute,  
8 I can't understand Dr. Chrissan's analysis. We don't know  
9 what to do here. We don't know how to come up with a  
10 comparable analysis.

11           They could have come in and said in their opinion  
12 that the Malibu patents -- this technology is not worth  
13 half as much as that one or it's worth twice as much. They  
14 didn't do that. It's all just attorney argument directed  
15 at our expert's judgments.

16           THE COURT: Anything further, Mr. Flannery?

17           MR. FLANNERY: No, Your Honor.

18           THE COURT: All right. Any brief follow-up --

19           MR. RUBENSTEIN: Yes, Your Honor.

20           THE COURT: -- Mr. Rubenstein -- Rubenstein or  
21 Rubenstein?

22           MR. RUBENSTEIN: It's Rubenstein, Your Honor.  
23 Thanks for asking.

24           THE COURT: I don't like my mispronounced either.

25           MR. RUBENSTEIN: All right.

1 THE COURT: Go ahead.

2 MR. RUBENSTEIN: Mr. Flannery mentioned that --  
3 that all their experts were trying to do is simulate what  
4 happens in the real world as a -- as a generic point.

5 That's okay, but the analysis still has to meet  
6 the benchmarks for rigor and reliability by an expert  
7 witness that is -- that is on deck to provide testimony to  
8 a jury in a trial. And Dr. Chrissan simply doesn't do  
9 that.

10 And to say that what Dr. Chrissan did is the same  
11 thing that Ericsson does is just flat out not true. In --  
12 in no way does Ericsson perform a relative technical  
13 valuation of patents in connection with -- in connection  
14 with its licensing practices, and there is no evidence in  
15 the record to suggest that it does.

16 And, finally, about this -- the -- you know, the  
17 idea about technical experts and damages experts working  
18 together, Mr. Flannery is right, that's -- that's not a new  
19 things.

20 But what we have here is we have the direct  
21 importation of this valuation into the reasonable royalty  
22 calculation, which sort of takes this situation and removes  
23 it from what we may typically see and what the case law may  
24 typically describe.

25 Thank you, Your Honor.

1 THE COURT: All right. Thank you, counsel.

2 Well, with regard to the Defendants' motion to  
3 exclude the opinions of Dr. Douglas Chrissan, I'm going  
4 to -- I'm going to deny the motion.

5 But I'm going to afford some additional relief in  
6 this matter and in the previous matter addressed by the  
7 Court concerning Dr. Williams. I'm going to allow -- and,  
8 Mr. Kubehl, you raised the possibility of this awhile back.  
9 I'm not going to wait to see a motion in writing. I'm  
10 going to deal with Dr. Williams and Dr. Chrissan here at  
11 the same time.

12 Plaintiffs will be permitted to file a second  
13 supplemental report for Dr. Chrissan regarding his 5/6th  
14 opinion, but only that 5/6th opinion, and I'm denying the  
15 Daubert outright as to the prior parts of his opinion that  
16 have been denied. Those can be dealt with on vigorous  
17 cross -- with vigorous cross-examination.

18 But Plaintiffs will have an opportunity to file a  
19 second supplemental report from Dr. Chrissan regarding  
20 solely his conclusions about 5/6th as set forth in the  
21 existing supplemental report.

22 And Dr. Williams will be afforded -- Defendants,  
23 through Dr. Williams, will be afforded an opportunity to  
24 file a supplemental report responding to the issues raised  
25 with regard to the plain and ordinary meaning of packet,

1 packet-centric, reservation algorithm, and scheduling that  
2 was addressed in the last report from Plaintiffs to which  
3 Defendants really didn't get an opportunity to respond.

4 Those supplemental reports in both respects are  
5 targeted to only those areas, nothing more. Don't put  
6 anything else in there. Address those issues, and those  
7 targeted supplemental reports in both cases are due by the  
8 end of the day on January the 11th.

9 Each opposing side will be entitled to take a  
10 two-hour deposition of the responding expert. And those  
11 depositions will both be completed by the end of January  
12 16th.

13 Post those depositions, if either Plaintiff or  
14 Defendants in their respective cases feel compelled to file  
15 another Daubert motion addressing these new supplements --  
16 I hope that won't happen, but I've got to afford an  
17 opportunity that it may -- those are due by the end of  
18 January 21st.

19 Any response to those motions that may be filed  
20 are due by the end of January 25th. And to the extent  
21 there are resulting Daubert motions related to these  
22 supplement -- one or both of these supplemental reports,  
23 I'll take them up on the second pre-trial, January the  
24 30th.

25 Any questions?

1 MR. KUBEHL: Yes, Your Honor.

2 You mentioned that Defendants would be permitted  
3 to supplement but you mentioned Dr. Williams. That may  
4 have just been a cross-communication. Dr. Williams is a  
5 Plaintiff's expert.

6 THE COURT: I'm sorry.

7 MR. KUBEHL: Did you intend that the Defendants  
8 would be intended to supplement?

9 THE COURT: Yes, yes.

10 MR. KUBEHL: Thank you, Your Honor.

11 THE COURT: And what's the name of your expert  
12 there, Mr. Kubehl?

13 MR. KUBEHL: Well, Drs. Wicker and Acampora are  
14 the experts.

15 THE COURT: Well, we don't need to double  
16 everything. Have you got one --

17 MR. KUBEHL: There's an infringement report, and  
18 there's an invalidity report.

19 THE COURT: Well, my intent was to allow your  
20 experts to respond to Dr. Williams as to those terms where  
21 we've had the argument about plain and ordinary meaning.

22 MR. KUBEHL: Understood --

23 THE COURT: But nothing more.

24 MR. KUBEHL: Nothing more.

25 THE COURT: I guess if there's not one person that

1 can address it on both an infringement and an invalidity  
2 basis, then you'll have to do it in regard to both of them.  
3 Are either of those experts in a position to do it as to  
4 both of those issues?

5 MR. KUBEHL: No. Each expert is handling one of  
6 those issues.

7 THE COURT: All right. Then as to the  
8 infringement issue as to just those terms, we'll hear one.  
9 And as to the invalidity expert, as to just those terms,  
10 you'll do a second supplemental report. Same timeline,  
11 same deadlines apply, okay?

12 MR. KUBEHL: Yes, Your Honor.

13 THE COURT: Any questions on the Plaintiff's side?

14 MR. BLACK: No, Your Honor.

15 THE COURT: Mr. Black, it's customary to stand  
16 when you address the Court.

17 MR. BLACK: I'm sorry, Your Honor.

18 THE COURT: You know better than that.

19 MR. BLACK: As soon as I opened my mouth, I -- I  
20 apologize.

21 THE COURT: That's fine.

22 All right. Let's continue.

23 But just so the record is clear, except in those  
24 limited instances that I've just enunciated, the  
25 Defendants' motion with regard to Dr. Chrissan is denied.

1           Let's take up the Defendants' motion with regard  
2 to Mr. Bratic. That is Document 224.

3           Let me hear from Defendants on this.

4           MR. RUBENSTEIN: Your Honor, may I approach again  
5 with this slide deck?

6           THE COURT: You may.

7           MR. RUBENSTEIN: Thank you. Your Honor, Jonathan  
8 Rubenstein again for the Defendants. We'll turn now to  
9 Defendants' motion to exclude Mr. Bratic.

10           Before we dive into an explanation of what we  
11 believe are the flaws in Mr. Bratic's analysis, I think  
12 it's helpful just to give a high-level overview of -- of --  
13 of what his opinions are, and then the construct of the  
14 formula that he uses for his royalty opinion.

15           THE COURT: I've read the briefing,  
16 Mr. Rubenstein. If you can expedite that, it would be  
17 helpful.

18           MR. RUBENSTEIN: Yes, sir.

19           So let's turn to the first part of Mr. Bratic's  
20 royalty calculation, which I've tried to sort of depict  
21 here on the slide as a -- as a formula. And we'll hit some  
22 of the high points, and then we'll -- and then we'll move  
23 on.

24           Mr. Bratic starts his formula by analyzing the  
25 royalty rates in 19 Ericsson portfolio licenses. And as we

1 mentioned in the briefing, we believe this is  
2 inappropriate, but this isn't an argument like we typically  
3 see about how we think that certain licenses are more  
4 appropriate to use in a royalty analysis than the  
5 Plaintiffs, and we have a disagreement about that.

6           This is rather a -- an argument about whether  
7 those Ericsson licenses are sufficiently comparable to use  
8 in the first place.

9           And we have the LaserDynamics quote here. And,  
10 you know, the district court must consider licenses that  
11 are commensurate with what the Defendant has appropriated.  
12 If not, a prevailing Plaintiff would be free to inflate the  
13 reasonable royalty analysis with conveniently selected  
14 licenses without an economic or other link to the  
15 technology in question.

16           And when I asked Mr. Bratic in his deposition  
17 about the comparability of licenses, he agreed that one  
18 needs to assess the technical and economic comparability of  
19 the licenses.

20           And the issue that we have is that he just didn't  
21 properly account for the major differences between the 19  
22 Ericsson licenses from which he derives this first part of  
23 his formula and what the hypothetical license in this case  
24 would look like.

25           On one hand, you have the Ericsson licenses, which



1 are portfolio licenses to standards essential patents. The  
2 licenses cover thousands of patents. They are worldwide in  
3 scope. And in large part they are cross-licenses, if not  
4 exclusively cross-licenses.

5 The licenses are typically between two  
6 manufacturers of products, and not a single one of the  
7 Ericsson licenses that Mr. Bratic uses base -- bases the  
8 royalty on this construct of subscriber months that we see  
9 Mr. Bratic using in his -- in his analysis.

10 On the other hand, the hypothetical license in  
11 this case deals with three patents that are not alleged to  
12 be standards essential. It is a one-way license.

13 IV is not a manufacturer of anything, and  
14 according to Mr. Bratic, the hypothetical license would be  
15 based on this idea of subscriber months.

16 And in its response, IV says that Mr. Bratic did  
17 consider the differences between the licenses and points  
18 largely to the -- Dr. Chrissan's analysis about relative  
19 valuation between the 18 Ericsson patents that he looked at  
20 and the patents-in-suit to, you know, derive some type of,  
21 you know, example or representative value of the portfolio.

22 But what he doesn't address is all of the other  
23 differences that exist, the worldwide scope, the standards  
24 essential issue, all the things that I mentioned on the  
25 last slide.

1           And without that kind of analysis or without  
2     addressing those issues, then IV hasn't done what it needs  
3     to do with respect to showing that these licenses --  
4     licenses are sufficiently comparable to form a basis of his  
5     royalty analysis.

6           Now, the next stage of the -- in the formula, I  
7     suppose, is Mr. Bratic calculates an average cost of  
8     handsets that exist in T-Mobile's network. And the first  
9     thing to mention here is that Mr. Bratic's formula that --  
10    that we see on the slide -- a lot of it is shaded out now,  
11    but is -- his formula is set up to determine a per handset  
12    royalty in the middle of this calculation.

13           But this case is about base stations. This case  
14    is not about handsets. So there's a significant mismatch  
15    there between the products he's using as a basis for his  
16    analysis, and that mismatch infects his entire analysis.

17           But even more than that, when Mr. Bratic is going  
18    about calculating the average costs of the phones that are  
19    used in T-Mobile's network -- and he lists many of them,  
20    it's many, many pages in his exhibit -- in an exhibit to  
21    his report, a significant majority of the phones that exist  
22    on that list are already licensed products to these  
23    patents. They're from manufacturers like -- like Apple,  
24    like we have here and Samsung and some others that are  
25    already licensees to IV's entire portfolio.

1           And so it's a -- a bit of a double-dip if IV is  
2     calculating its royalty here at least in part by using  
3     licensed products as the basis for the calculation.

4           He -- IV cites in its response a case from this  
5     Court -- it was a Google case -- for the proposition that  
6     what Mr. Bratic does with respect to calculating the  
7     average handset royalty is okay here, and that it is not a  
8     double-dip. It is not -- does not qualify as exhaustion.  
9     But the facts of this case are quite a bit different than  
10    the facts in the Google case that IV cited.

11           In that case, the question wasn't so much whether  
12    the product itself could be subject of -- of a royalty  
13    calculation, but rather whether a separate company who  
14    provided content for a licensed product, whether the  
15    exhaustion doctrine could then apply to that content  
16    provider.

17           And the Court's answer to that question was no,  
18    that the exhaustion doctrine doesn't stretch that far.

19           But here what we have are actual licensed products  
20    that -- the average price of which is being used by  
21    Mr. Bratic to calculate a royalty in this case that deals  
22    with base stations.

23           Now, we just got through talking about  
24    Dr. Chrissan's technical valuation. And the flaws that --  
25    that -- that we perceived in Dr. Chrissan's analysis are

1 distinct from the flaws that I would like to discuss with  
2 the Court now in how Mr. Bratic uses that data.

3 And so I want to first take a look at exactly what  
4 Mr. Bratic does, and there's some -- there's some color  
5 coding here. And I apologize if it's a little hard to  
6 follow.

7 But what Dr. -- what Mr. Bratic did in Paragraph  
8 324 of his report here is he quoted directly Dr. Chrissan,  
9 the language we looked at before, which is that the  
10 patents-in-suit have more technical value than any two of  
11 the Ericsson A-Level patents, possibly all three, and any  
12 six of the B-Levels and possibly all seven.

13 And what Mr. Bratic does is he takes those words  
14 and he simple -- simply converts them into a percentage.  
15 It's no more than that. And this -- this color coding is  
16 meant to show -- for example, the yellow in the words "any  
17 two," if you look down to the footnote in the bottom of the  
18 left part of the slide, that is how Mr. Bratic is  
19 numerically representing those words.

20 And he does that with each of the colors in this  
21 footnote -- in Footnote 925. And the result is that these  
22 words equate to 37 and a half percent to 50 percent.

23 And when I asked -- because this was a little  
24 confusing to us, but when I asked Mr. Bratic about this in  
25 his deposition, he said: Yeah, that's all I did is I took

1 these words, and I made them into a percentage.

2 And then what Mr. Bratic does is he takes the low  
3 end of that percentage range, 37 and a half percent,  
4 conservatively, he says, and he applies that technical  
5 valuation from Dr. Chrissan directly into his reasonable  
6 royalty calculation.

7 He does this on a one-to-one basis without any  
8 justification or explanation for why a technical valuation  
9 can be directly plugged into a reasonable royalty formula  
10 without any accounting for how a technical valuation  
11 compares to an economic valuation or a financial valuation,  
12 which is what we have here in a royalty calculation.

13 Mr. Bratic testified that it is his belief that --  
14 that there is a one-to-one relationship between these two  
15 valuations, the technical valuation and an economic  
16 valuation.

17 But he was unable to provide any real explanation  
18 about why or any basis that he thinks there is a one-to-one  
19 val -- a one-to-one representation between these two --  
20 these two things. Simply saying that -- that he, you know,  
21 relied on what Dr. Chrissan did in his analysis and the  
22 valuation that he provided.

23 But this idea that there is a one-to-one  
24 correlation between Dr. Chrissan's technical valuation and  
25 this economic analysis that Mr. Bratic is doing is directly

1 contradicted by Dr. Chrissan's testimony. And we saw that  
2 in the last motion. And I've highlighted it again here.  
3 Dr. Chrissan said: Keep in mind, I didn't attempt to  
4 provide an economic value. His opinions are based on  
5 technical value and what he perceived as technical metrics.

6 And we also should keep in mind that  
7 Dr. Chrissan's relative comparison of the Malibu patents to  
8 the Ericsson patents was limited only to 18 Ericsson  
9 patents -- 18 of thousands of Ericsson patents that are  
10 covered by those license agreements.

11 THE COURT: That point's been made previously.

12 MR. RUBENSTEIN: Right.

13 THE COURT: Let's move along.

14 MR. RUBENSTEIN: And so the import of that point  
15 here is that -- that what Dr. Chrissan was saying is that,  
16 well, these patents-in-suit are worth 37 and a half percent  
17 of these 18, but what Mr. Bratic is doing is taking that  
18 same 37 and a half percent, and he is applying it to  
19 royalty rates that come from Ericsson portfolio license --  
20 licenses that cover many, many more than just those 18  
21 patents.

22 And so effectively, what Mr. Bratic is saying, if  
23 he's going to use this 37 and a half percent apportionment,  
24 the -- the only logical conclusion from that is that the  
25 Ericsson portfolio patents that he analyzed from which he

1 drew the royalty rates, the only value in those portfolio  
2 licenses is in those 18 patents that Dr. Chrissan -- that  
3 Dr. Chrissan analyzed, rendering valueless all of the other  
4 patents, thousands of patents that exist in those license  
5 agreements.

6 And Dr. Chrissan told us in his deposition that he  
7 has made no representation to Mr. Bratic that the other  
8 patents in Ericsson's LTE portfolio are valueless. And so  
9 you have Mr. Bratic making this assumption that is not just  
10 illogical, but it is -- you know, it's contradicted by what  
11 Dr. Chrissan has said.

12 THE COURT: Why is that not something that can be  
13 dealt with fairly and effectively on cross-examination?  
14 Why does that rise to the level of striking the testimony?

15 MR. RUBENSTEIN: Because --

16 THE COURT: That seems like classic  
17 cross-examination to me.

18 MR. RUBENSTEIN: -- because, Your Honor, there has  
19 to be -- there has to be some type of explanation for how  
20 you can import something, you know, one-to-one from a  
21 technical valuation to an economic valuation.

22 If Mr. Bratic could have provided some, then we  
23 could have attacked it, and we could have used it in front  
24 of a jury. But we have nothing. We have simply his  
25 opinion that is bare and with no basis behind it for -- you

1 know, for this opinion.

2 And we think that that is the reason why -- why --  
3 you know, his doing this on a one-to-one basis is something  
4 that is more in an exclusion territory, as opposed to a  
5 vigorous cross-examination territory.

6 THE COURT: All right. What else do you have for  
7 me?

8 MR. RUBENSTEIN: With respect to -- just one  
9 more -- one more point not related to this formula but  
10 related to one of his other reasonableness checks that I  
11 think is worth mentioning very briefly, and it is the  
12 reasonableness check that concerns the AT&T license.

13 Mr. Bratic -- Mr. Bratic performed a  
14 reasonableness check calculation that's derived from this  
15 license agreement which to put into perspective was entered  
16 into in the settlement of litigation.

17 And Mr. Bratic assumes, not just illogically again  
18 but actually contrary to the testimony in the case that --  
19 that AT&T -- the license fee that it paid was only for  
20 certain things, when on one hand, AT&T settled eight  
21 litigations, got a license to IV's portfolio -- IV I  
22 portfolio to tens of thousands of patents. The same with  
23 IV II's portfolio, got rights to future patents. And AT&T  
24 achieved rights for suppliers to products in its network.

25 And Mr. Bratic ignores all of those buckets of



1 rights and says: Well, you know, what they really paid for  
2 was just to settle one of those eight litigations and also  
3 to take a license to these patents in this case, as well as  
4 the patents that are asserted in the case between these  
5 parties that's set for trial in May. And there's simply no  
6 basis to -- to make that -- to make that assumption.

7           Mr. Bratic relies on Mr. Paschke, who is IV's  
8 licensing witness, to say that, well, you know, typically  
9 for IV, the driver of negotiations are patents that IV has  
10 asserted against potential licensees and that have a high  
11 likelihood of continuing in litigation.

12           Well, none of those patents were asserted against  
13 AT&T, and Mr. Paschke admitted to us that none of those  
14 patents were ever even shown or discussed to AT&T during  
15 the course of their licensing negotiations.

16           So it seems like simply an opinion that is pulled  
17 out of nowhere that has no basis in fact that supports his  
18 reason -- so-called reasonableness check based on the AT&T  
19 license.

20           And because it relates to Your Honor's last  
21 ruling, we did have an issue with Mr. Bratic's supplemental  
22 report because it relies entirely on this 1/6th, 5/6th  
23 supplemental opinion from Dr. Chrissan.

24           Mr. Bratic testified that he took Dr. Chrissan's  
25 supplemental report, and -- and he essentially trimmed his

1 reasonable royalty opinion by 1/6th. And so to the extent  
2 that the Court's ruling from a few minutes ago suggests  
3 that there may be issues --

4 THE COURT: If Dr. Chrissan -- if Dr. Chrissan  
5 comes in with something other than 5/6th, I'll hear about  
6 it then. I suspect we're going to see the same number with  
7 some additional analysis.

8 MR. RUBENSTEIN: Okay. Then that's all I have,  
9 Your Honor.

10 THE COURT: All right. What's Plaintiff's  
11 response?

12 MR. FLANNERY: Hello, Your Honor. Kevin Flannery  
13 again, and I'll be very brief.

14 THE COURT: Go ahead, counsel.

15 MR. FLANNERY: We do believe that these subjects  
16 or these -- these objections and criticisms that Defendants  
17 have are subject for rigorous cross-examination, and that  
18 cross-examination will be met by our experts who will tell  
19 the jury that what they're doing is exactly what Ericsson  
20 does.

21 For example, we cited Mr. McLeroy's declaration in  
22 the briefs where he said that the rates in -- the  
23 negotiated royalty rates in Ericsson's licenses are based  
24 on the technical merits of Ericsson's patents.

25 The technical merits of Ericsson's patents that

1 are discussed during the negotiations are the  
2 representative patents. That's what's discussed. They  
3 don't discuss the technical merits of the thousand or  
4 hundreds of patents that they're talking about. The two  
5 parties that are negotiating the royalty rate -- again,  
6 it's Ericsson's testimony, the rates and the licenses are  
7 based on the technical merits of Ericsson's patents.

8           The technical merits reside in those 18  
9 representative patents, and Dr. Chrissan analyzed them.  
10 Mr. Bratic has said that those are the patents that drive  
11 the royalty rates, the economic terms of the deal. And  
12 Ericsson's witnesses have confirmed that's the case.

13           That's how they operate, and that's how our  
14 experts operate. So I think everything else is subject to  
15 rigorous cross-examination, Your Honor.

16           THE COURT: All right. Thank you.

17           MR. FLANNERY: Thank you, Your Honor.

18           THE COURT: I assume you don't have anything  
19 further, Mr. Rubenstein?

20           MR. RUBENSTEIN: You assume correctly, Your Honor.

21           THE COURT: Okay. Then the motion to exclude by  
22 way of Daubert, Mr. Walter Bratic, is denied.

23           And we'll next take up Plaintiff's motion to  
24 exclude Dr. Becker's expert opinions.

25           That's Document 225, and we'll hear -- I'll hear

1 from Plaintiff on this now.

2 MR. ABRAHAM: Good afternoon, Your Honor. Joseph  
3 Abraham, again, for IV.

4 THE COURT: Go ahead, sir.

5 MR. ABRAHAM: I will -- in light of the argument  
6 that you just went through, I will focus on a couple very  
7 specific aspects of Dr. Becker's opinions.

8 Mr. Rubenstein in his presentation focused on what  
9 he called a mismatch between Mr. Bratic's use of  
10 handset-based licenses in a case that he characterized as  
11 involving base stations. There, we would say that they --  
12 both the handsets and the base stations relate to the same  
13 LTE services. Mr. Bratic undertook some -- some analysis  
14 to account for the differences.

15 Here, with respect to Dr. Becker, the jumping off  
16 points that he's using for his analysis are just too  
17 different in kind.

18 They are not at all tethered to the facts of this  
19 case. They don't relate to T-Mobile -- and T-Mobile's use  
20 of the patented technology at all.

21 Instead, he focuses on unrelated transactions.  
22 He focuses on the purchase price analysis without  
23 accounting for the differences and circumstances between  
24 Malibu Networks in 2004, as compared to T-Mobile in 2013.

25 With respect to his other methodology, applying

1 IV's R-rankings, he takes IV's license -- licensing  
2 revenues for unrelated licensees and uses that as the input  
3 to his lower damages analysis.

4           Essentially, he is -- his -- his calculations are  
5 both outcome determinative in a way that does not involve  
6 any input that specifically relates to T-Mobile, and that's  
7 where we say he has a problem under Daubert.

8           Specific -- and a couple of additional  
9 illustrations. Just -- the purchase price methodology, he  
10 uses uniform rates of return. They are not specifically  
11 tied to the circumstances of the -- of this case.

12           So, again, any patent or group of patents that IV  
13 had bought for approximately the same number -- same amount  
14 of dollars at the same amount -- sorry, the same period in  
15 time would have resulted in the same license fee under  
16 Dr. Becker's methodology as to be paid by T-Mobile in this  
17 case.

18           And then, again, jumping back with respect to the  
19 R Ranking methodology, the -- his lower bound is determined  
20 based on a calculation that -- that relates to license fees  
21 that IV has already collected, sometimes from licensees  
22 who -- whose business model bears no relation to T-Mobile.

23           So, again, it's outcome determinative based on  
24 inputs that are not related to the circumstances of this  
25 case.

1 THE COURT: Anything further?

2 MR. ABRAHAM: I will very briefly address the  
3 Section 287 argument which is simply that here the -- the  
4 purpose of Section 287 is so that an accused infringer who  
5 purchases -- I'm sorry, who sells, makes, uses an  
6 infringing product during a period in which they are not on  
7 notice, that's the purpose of Section 287.

8 Here, Dr. Becker's methodology has nothing to do  
9 with any particular usage, manufacture, or sale of an  
10 infringing product. He calculates one size fits all  
11 damages numbers and then just takes a proportional haircut.  
12 That's not what Section 287 is for.

13 THE COURT: All right. Thank you, counsel.

14 Let me hear Defendants' response.

15 MR. RUBENSTEIN: Thank you, Your Honor. I will  
16 also be brief. To the extent that we may want to use this  
17 presentation, I'll -- I'll seek permission to hand it up.  
18 But I just want to respond to a few things that Mr. Abraham  
19 said.

20 And starting with this idea that what Mr. -- with  
21 what Mr. Becker -- Dr. Becker did was not tied to the facts  
22 of the case, IV in its -- in its briefing says that  
23 Dr. Becker applied the general theory without tying it to  
24 the facts in the case, which doesn't really compute for a  
25 couple of reasons.

1           One, that's the phraseology that we hear with  
2 things like the 25 percent rule, which is a general theory  
3 that's not applied to the facts of the case. That's not  
4 why -- that's why we can't use rules of thumb like that  
5 anymore.

6           But it's also a little bit confusing because what  
7 Mr. -- what Dr. Becker does is use data and information  
8 that is directly tied to the parties of the case, the  
9 patents in the case, and the Defendants.

10           The purchase price of the patents is one of them.  
11 IV's not arguing that a purchase price can't be part of a  
12 reasonable royalty analysis. It's simply claiming that  
13 it's not -- that what Dr. Becker -- Becker did isn't tied  
14 to the facts of the case.

15           But, you know, Dr. Becker adjusted for cost of  
16 ownership, adjusted for the situation in which those  
17 patents were purchased, and then specifically took into  
18 account Ericsson, IV, and T-Mobile and what they would be  
19 thinking in the hypothetical negotiation.

20           And part of that is stepping back and thinking  
21 about who is IV, and -- and what is their business and what  
22 would have -- what would they have been expecting in a  
23 hypothetical negotiation and how do we -- what kind of data  
24 can we apply to this purchase price in order to come to a  
25 conclusion about what the value of the royalty should be.

1 And IV is an investment company, and -- and they  
2 in large part purchase patents with the intent to monetize  
3 them through licensing or through sales of the assets.

4 And it holds the patents in -- in funds and  
5 expects a rate or return. And Dr. Becker recognized that.  
6 And Dr. Becker mined the data that we have in this case  
7 from IV about rates of return that IV expected from a fund  
8 level, as well as rates of return that IV had achieved  
9 through that fund.

10 And so, you know, Dr. -- Dr. Becker used this  
11 information that came directly from IV to help inform what  
12 IV could have expected to receive as a return on its  
13 investment.

14 And while -- you know, I mean, we hear their  
15 criticism that these returns on investment were not  
16 tailored to the Malibu portfolio, but that's certainly not  
17 the standard.

18 It is, you know, very reasonable for Dr. Becker to  
19 use IV's own data about what it would have been thinking as  
20 a party to the hypothetical negotiation.

21 Now, the -- I do want to mention the -- the  
22 R-Rankings that Mr. Abraham mentioned. The gist of IV's  
23 argument is that the R-Rankings aren't an allocation of  
24 value and -- but rather they're just a -- a method of  
25 distributing revenue from its portfolio -- from its



1 portfolio licenses.

2 But, you know, as we showed in the briefing, the  
3 process that IV uses to make this allocation is very  
4 specific. It's intended to put weight on the patents that  
5 were most important to the licensee in that particular  
6 negotiation, and it's called a value allocation.

7 And IV may want to run from that term, but it will  
8 have the opportunity to have its own witnesses come up and  
9 testify at trial about what they believe that term means.

10 But the documents say what they say. And  
11 Dr. Becker is permitted to rely on that. And IV is free to  
12 vigorously cross-examine Dr. Becker about the -- about this  
13 value allocation.

14 And he simply uses these R Rankings and the value  
15 that has been allocated to these patents as a data point in  
16 his range of royalties that includes data that is derived  
17 from the purchase price, data that's derived from the R  
18 Rankings. And, again, all tailored to the parties in the  
19 case and the patents in the case.

20 THE COURT: Anything further?

21 MR. RUBENSTEIN: Nothing, Your Honor. Thank you.

22 THE COURT: All right. Well, with regard to the  
23 Plaintiff's motion to exclude the testimony of Dr. Becker,  
24 the Court's ruling is much like its ruling with regard to  
25 Mr. Bratic, and that is it's denied.

1 Both of these areas of examination, to me, seem to  
2 be better dealt with through vigorous cross-examination  
3 than exclusion of testimony from the jury.

4 And I'm going to deny the motion from Plaintiff as  
5 to Dr. Becker.

6 All right. That brings us to the motions in  
7 limine that are in dispute. The Court will turn to those  
8 next.

9 MS. FAIR: Good afternoon, Your Honor. Andrea  
10 Fair on behalf of the Plaintiff.

11 THE COURT: Before we get too far into this,  
12 Ms. Fair, have there been any late breaking agreements or  
13 narrowing that the Court's not otherwise been informed  
14 about regarding any of the motions in limine?

15 MS. FAIR: I don't believe so, Your Honor. We did  
16 file some agreements with the Court, I believe -- I can't  
17 remember frankly if it was -- if it was Friday or Monday.  
18 They had to be re-filed yesterday. So those are on record  
19 with the Court. There hasn't been any since then.

20 THE COURT: Nothing new today?

21 MS. FAIR: That's correct.

22 THE COURT: Okay.

23 MS. FAIR: So we're starting with IV's Motion in  
24 Limine No. 2. No. 1 was part of the agreement that was  
25 filed yesterday.

1 THE COURT: No. 1 has been withdrawn by agreement,  
2 correct?

3 MS. FAIR: Yes, Your Honor.

4 THE COURT: Okay.

5 MS. FAIR: So No. 2 is one that this Court sees a  
6 lot. It's a request to exclude or at least require the  
7 Defendants to approach the bench or either party before  
8 anybody gets into evidence about the IPRs.

9 I'm going to start with just responding to the  
10 Defendants' response because I think we're essentially in  
11 agreement, but there's some things we need to talk about  
12 with the Court.

13 The Defendants first say: Well, we agree, but if  
14 the door's opened, we should be able to get into it. They  
15 give two examples of that.

16 The first is if we start talking about whether or  
17 not the PTO has considered specific prior art references,  
18 they should be able to get into the IPRs.

19 There is --

20 THE COURT: Well, anytime another party opens the  
21 door, that creates a possibility the Court's going to grant  
22 latitude to the responding party to get a fair response.

23 And as with any limine order, it's clearly not an  
24 absolute prohibition. And if somebody who's protected by  
25 the limine ignores it and opens the door, there's no reason

1 why the party that would otherwise be bound by it is going  
2 to continue to be bound.

3 MS. FAIR: Agreed, Your Honor. I wanted to talk  
4 specifically about their first example because -- because I  
5 think our concern is we don't intend to say anything about  
6 whether the Patent Office has considered any specific prior  
7 art that the Defendants are going to be raising.

8 The risk here is that the Defendants are going to  
9 want to say: The PTO has never looked at this. This is an  
10 argument we see in trials where Defendants say: You,  
11 ladies and gentlemen of the jury, are the first people to  
12 look at this prior art.

13 So our concern is that the Defendants are going to  
14 open their own door because the PTO is looking at this art  
15 through the IPRs. There's a pretty substantial overlap  
16 between the prior art in our trial and in what the -- the  
17 Patent Office was looking at, so we just want to be --

18 THE COURT: Isn't there a distinction between what  
19 the PTO looked at during the issuance process and what's  
20 brought to them through the IPR practice later?

21 MS. FAIR: Sure, Your Honor, yes. We just want to  
22 make sure that the Defendants don't open their own door by  
23 saying: The PTO has never looked at this. Oh, by the way,  
24 but they're kind of looking at it now because they've  
25 instituted review on these patents.

1 THE COURT: Well, let me just say this. I'm going  
2 to grant this motion in limine, and either side is going to  
3 approach and get leave before they talk about the PTAB or  
4 IPR proceedings in any way.

5 If at the time the patents were issued certain  
6 prior art was not before the PTO, through the issuance  
7 process, it's not in the cited references, that's a  
8 legitimate point to make, and that's outside the scope of  
9 this limine order, okay?

10 MS. FAIR: Yes, Your Honor.

11 THE COURT: What's next?

12 MS. FAIR: Motion in Limine No. 3. Oh --

13 MR. KUBEHL: Your Honor, may I have just one point  
14 of clarification on that MIL before we move on?

15 THE COURT: Okay.

16 MR. KUBEHL: So where it's more likely to come up  
17 in this case is some of the prior art that the PTAB has  
18 found now does create a substantial question of  
19 patentability does appear on the face of the asserted  
20 patents.

21 And so certainly if they represent or imply to the  
22 jury that you can see that Reference X is right here on the  
23 face of the patent, the Patent Office has already looked at  
24 that, then we're certainly going to seek to say: The  
25 Patent Office is actually looking at that again right now.

1 THE COURT: Well, both sides know what's behind  
2 both of the doors, and either of you open that door by  
3 going too far at your own peril.

4 If one side says they've never seen it, then I  
5 expect to be approached by the other side wanting to tell  
6 the jury, no, that's not true, they've seen it in another  
7 context.

8 If -- you know, overreaching by either party is  
9 probably going to result in the party against whom they've  
10 been overreached have an opportunity to correct any  
11 inaccuracies before the jury.

12 But we're not going to try this case based on what  
13 the IPRs are or what the PTAB has done. This Court's not  
14 subject to the rulings of that body, and it's not bound by  
15 that body. And we're not going to -- we're not going to  
16 wave -- we're no -- we're no more going to wave PTAB/IPR  
17 decisions before the jury than I'm going to let you talk  
18 about results in other jury trials in other district  
19 courts. We're going to try this case on these facts in  
20 this -- in this court.

21 So if anybody's going to talk about what happened  
22 at the PTO, they either need to be sure of where they are,  
23 or they need to come see me and say: Your Honor, before I  
24 go into this, I want to tell you what I'm about to ask  
25 about. I'm concerned the other side may think I'm opening

1 the door to something, or I'm violating your limine order,  
2 give me some guidance. That's what the limine process is  
3 for. And I'm going to be a gatekeeper here.

4 But we're going -- we're not going to try this  
5 case based on decisions, considerations, arguments  
6 presented to any other body, including the PTAB.

7 Does that -- does that give you some guidance,  
8 Mr. Kubehl?

9 MR. KUBEHL: It does. Just in -- in response to  
10 your last comment there, arguments made to the PTAB, the  
11 other place that this could come up is Dr. Williams, for  
12 example, offering a claim construction that is  
13 contradictory or -- or inconsistent with a construction  
14 that IV has offered to the Patent Office.

15 Consistent with Core Wireless, we would expect to  
16 impeach him with that that he's taking a position that's  
17 inconsistent with what the Plaintiff believes that ordinary  
18 meaning is.

19 THE COURT: And if and when that happens, come to  
20 the bench and ask for leave before you jump into your  
21 impeachment.

22 MR. KUBEHL: Understood.

23 THE COURT: Okay? All right. We are at IV's MIL  
24 No. 3; is that correct, Ms. Fair?

25 MS. FAIR: Yes, Your Honor. And if I may have

1 just a moment. I only grabbed one stack of papers. Let me  
2 get my other stack.

3 So our Limine No. 3 concerns a concern that we  
4 have about how we anticipate the Defendants might use the  
5 inventor's testimony and testimony about the Malibu  
6 Networks prototype product.

7 Our concern grew out of what we saw them do in  
8 Dr. Jorgensen, the inventor's deposition, as well as in re  
9 -- in their summary judgment briefing, in the claim  
10 construction process, and, again, was confirmed in the  
11 response in the limine briefing, and that is they've asked  
12 him at length about specific aspects of the Malibu Networks  
13 product, this prototype, the features that it had, how it  
14 worked, how it did scheduling, how various documents  
15 describe this prototype, and describe the features of the  
16 prototype.

17 They then have taken that testimony and tried to  
18 make non-infringement arguments or claim construction  
19 arguments to try and show they don't do scheduling the way  
20 the Malibu prototype does scheduling. And if I could just  
21 give a quick example. The cites in the summary judgment  
22 brief from the Defendant --

23 THE COURT: I'll -- I'll -- for purposes of  
24 arguing these MILs, I'll accept your representation. You  
25 don't need to prove it to me. Just say that's what you're



1 afraid they're going to do, and then I'll hear from them.

2 MS. FAIR: That's what we're afraid they're going  
3 to do, Your Honor. We think that's improper for two  
4 reasons.

5 The first is it's improper to compare any two  
6 implementations, if you will, of a patent claim and argue  
7 either invalidity or non-infringement based on that. And  
8 so -- so our concern is they're going to say, well,  
9 Dr. Jorgensen, have him explain the features of this  
10 prototype, how it does scheduling. And what we heard this  
11 morning is their non-infringement argument on scheduling  
12 about future frames and whether it's a future or current  
13 frame, how that is implemented in the Malibu prototype, if  
14 it is. By the way, there's no expert who's taken that  
15 prototype and said it reads on these asserted claims.

16 If it is implemented by those claims, the fact  
17 that it implements scheduling in any certain way doesn't  
18 bear any relevance on whether the accused technology's  
19 scheduling functionality also reads on the claims.

20 And so that false comparison as Zenith Labs  
21 recognizes runs the risk of confusing the jury by saying:  
22 Look, we've got Product A, the Malibu Networks prototype.  
23 We've got Product B, our -- and I'm playing the role of the  
24 Defendants, right? We've got our accused technology, and  
25 they're different. And, therefore, we don't infringe.

1 That's false because there can be more than one way to  
2 infringe, and it's confusing to the jury because it's not  
3 taking the claim language and comparing it to the accused  
4 technology, which is the appropriate analysis to do.

5 And it's further inappropriate to take the  
6 inventor on cross-examination, question him about how he  
7 understood specific terminology in the context of the  
8 prototype, and then use that to say: Well, that's what  
9 future transmission means or scheduling in the future means  
10 in the context of this patent.

11 That's trying to do claim construction in front of  
12 the jury with the inventor to import not even an embodiment  
13 from the specification but the prototype itself into a  
14 limitation of the accused technology. And so for those  
15 reasons, we have filed this limine.

16 And I'll tell you -- I mean, I think if we look at  
17 Page 5 of the response of the motion in limine, we see that  
18 the Defendants are trying to do this claim construction  
19 through the inventor. They say: Defendants intend to  
20 discuss the claim language in light of the Malibu  
21 technology, the prototype, at the time the patents were  
22 filed which provides context for the ordinary meaning of  
23 the claim terms. They're trying to use the prototype to  
24 define the claim terms to narrow the invention to exclude  
25 infringement of their own product through the inventor.

1 That use of the prototype is inappropriate.

2 And the inventor is going to testify about the  
3 problem that he was solving, the way that he solved it, how  
4 he came up with the invention, those sorts of things.

5 We're not going to be going into great detail  
6 about every single feature of the prototype, and nor should  
7 they be permitted to cross-examine him on it because he's  
8 merely introduced how he solved this problem.

9 They can cross him on the problem that he solved.  
10 Maybe there was art out there that he did or didn't know  
11 about, what may or may not have been in the art at the  
12 time. But for them to take specific features of the  
13 prototype and try and use those either directly or  
14 indirectly to infer that, well, because our product is  
15 different than the prototype, we don't infringe, or because  
16 you meant future frame in this way, that's the way it must  
17 be construed in a patent, and, therefore, we don't  
18 infringe, are improper arguments and confusing to the jury.

19 THE COURT: Let me hear a response from the  
20 Defendant. And you can stay at the podium, Ms. Fair. It  
21 may be more efficient if you're close by.

22 MS. FAIR: Yes, Your Honor.

23 THE COURT: Same thing for you, Mr. Kubehl, or  
24 whoever is going to argue MILs for Defendants.

25 MR. KUBEHL: Yes, sir.

1 THE COURT: What's your response?

2 MR. KUBEHL: Your Honor, the Defendants don't seek  
3 to compare the Malibu products or prototypes to the accused  
4 products in this case.

5 We do seek to elicit testimony from the named  
6 inventor about what kind of system he was working on back  
7 then, what was the business of Malibu, how did that system  
8 work, what did it do? There's nothing wrong with doing  
9 that.

10 THE COURT: What you're going to tell me is that  
11 this is general background.

12 MR. KUBEHL: There is general background to be  
13 had. There's also an issue, though, as -- as Your Honor  
14 has given us guidance today, that you haven't been in a  
15 case where people don't talk about what the ordinary skill  
16 of the art folks think that a claim term means. And as a  
17 named inventor, Dr. Jorgensen is presumed to be at least  
18 one of ordinary skill in the art.

19 So what his understanding of a word meant at the  
20 time he was working on this system and these patents --

21 THE COURT: I thought an inventor was by  
22 definition not a person of ordinary skill in the art.

23 MR. KUBEHL: He's a person of at least, if not  
24 more than ordinary skill in the art.

25 THE COURT: All right.

1 MR. KUBEHL: So --

2 THE COURT: Let me see if I can short-circuit  
3 this. I'm going to let you go through the proper and  
4 typical background with the inventor. That's a part of  
5 just about every trial.

6 But the only proper comparison is the language of  
7 the asserted claims against the accused products, period.

8 And to the extent anybody goes outside of those  
9 parameters, then they're going to be in trouble with the  
10 Court, and they're going to violate the MIL order that I'm  
11 about to enter.

12 And while it's true that terms that have not been  
13 construed by the Court or terms that have been given their  
14 plain and ordinary meaning are often susceptible to input  
15 from witnesses about what they understand the plain and  
16 ordinary meaning of that term to be, we're not going to  
17 engage in claim construction. And anything that gets  
18 within a mile of that is going to be squelched by me before  
19 it gets off the ground.

20 The time for claim construction has long passed,  
21 and a certain amount of what's going to happen here, and  
22 you both know that, before I say it, is a matter of degree.

23 There's a fine line between going through the  
24 background of the invention and talking about what came  
25 before and then comparing improperly to things other than

1 the accused products.

2 So I'm -- what I'm telling you is I'm going to  
3 grant this motion in limine, but the application of this is  
4 where you really need to understand where the Court is.

5 And I'm going to allow the Defendants to have a  
6 typical background review with the inventor, and I'm going  
7 to allow the inventor, if asked, to testify as to his  
8 understanding of any plain and ordinary meaning terms that  
9 are relevant to his other testimony, not to get up there  
10 and just pull words out of the claims and ask him what he  
11 thinks the plain and ordinary meaning of those are. It's  
12 all going to have to be in context and be relevant.

13 But beyond that, you're not going to go further  
14 than that without leave of the Court. And if Plaintiff's  
15 counsel thinks you're going too far, I expect to have an  
16 objection raised. And I'll deal with it at the time.

17 But this particular -- this particular motion in  
18 limine is -- is typical, and it's often a matter of extent  
19 or degree. And I'm not going to know what that extent or  
20 degree is until I hear it in real-time in the courtroom.

21 But what I want you both to understand is I'm not  
22 going to keep the inventor and the Defendants from talking  
23 about the background of the invention and how we got here.

24 But that's not going to be a launching pad for an  
25 improper comparison of anything other than the language of

1 the asserted claims against the accused products.

2 Does that -- does that give you --

3 MR. KUBEHL: It does.

4 THE COURT: -- adequate guidance?

5 MR. KUBEHL: Thank you, Your Honor.

6 THE COURT: With that -- with that clarification,  
7 I'm going to grant Plaintiff's Motion in Limine 3.

8 Let's go on to No. 4, Ms. Fair.

9 MS. FAIR: I'm turning the floor over to  
10 Mr. Abraham, Your Honor.

11 THE COURT: That's fine.

12 MR. ABRAHAM: Your Honor, Motion in Limine No. 4  
13 relates to the prior litigations between IV and Defendants  
14 in the District of Delaware.

15 THE COURT: Didn't I just tell everybody we  
16 weren't going to try this case based on what had happened  
17 in other courts and other places?

18 MR. ABRAHAM: You did, and that is exactly what  
19 we're hoping will happen in this instance, as well.

20 THE COURT: I'm going to grant this. If there's a  
21 reason, approach the bench and get leave and give me a  
22 reason. If there's not, then it's prohibited.

23 MR. ABRAHAM: Thank you, Your Honor.

24 THE COURT: All right. No. 5 -- Plaintiff's  
25 No. 5, where are we on this?

1 MR. BLACK: I'm next, Your Honor. I think you can  
2 probably resolve it, as well. This one relates to  
3 communications relating to settlement discussions from the  
4 prior litigation which would be even further afield of what  
5 you've already ruled on.

6 THE COURT: Mr. Black, is this one somehow  
7 tethered to one of Defendants' MILs?

8 MR. BLACK: It's tied to Defendants' MIL 5. We  
9 don't believe that they should be permitted to argue that  
10 IV didn't offer them a license before settlement -- before  
11 filing the lawsuit both because it's untrue and it's  
12 irrelevant.

13 And they don't think we should be discussing  
14 parallel matters. And we just should both agree that any  
15 settlement discussions relating to the prior case between  
16 these parties are off limits, and no one should be implying  
17 that there weren't any because that's also irrelevant.

18 THE COURT: What's -- what's the Defendants'  
19 response to this? Let's just take these two MILs up  
20 concurrently.

21 MR. KUBEHL: Sure. Your Honor, with respect to  
22 Plaintiff's motion, it's undisputed that IV never contacted  
23 Ericsson, never offered Ericsson a license to these patents  
24 before it sued Ericsson.

25 It should not be able to suggest to the jury by



1 implication that, well, isn't it funny that Company X over  
2 here took a license with IV to this portfolio, but Ericsson  
3 doesn't have one. If they open the door in that way or if  
4 they make any implication like that, we ought to be able to  
5 say, well, the fact is we were never contacted, they never  
6 offered us a license to these.

7 THE COURT: And if the door is open, the door is  
8 open. But unless the implication is made that opens the  
9 door, there's no reason to go into that.

10 MR. BLACK: Right. But that's a different door,  
11 Your Honor. He's mixing two things up.

12 First of all, they were -- they intervened in the  
13 Delaware litigation. We had settlement discussions with  
14 T-Mobile. They were involved. His firm -- his firm was --  
15 his firm was representing them. We had a mediation. They  
16 were indemnifying T-Mobile. And we made an offer which  
17 T-Mobile insisted they wanted an offer for the full  
18 portfolio which would have included the patents we were  
19 litigating and the patents in this case.

20 We're not going to come and say there was a  
21 specific offer on these patents. But any implication that  
22 they want to stand up and say, we were never offered a  
23 license, we were just sued out of the blue, would be  
24 inappropriate. And that's what our motion is directed to.  
25 That --- that would be inappropriate.

1 THE COURT: I understand that. I don't see any  
2 reason both Plaintiff's 5 and Defendants' 5 shouldn't be  
3 granted.

4 And if there's a reason to go into any of what  
5 you've just given me, you need to come persuade me of it at  
6 the bench before you do it.

7 MR. BLACK: Appreciate it. That's what we were  
8 asking for is reciprocal.

9 THE COURT: Question, Mr. Kubehl?

10 MR. KUBEHL: No, Your Honor.

11 THE COURT: Then let's move on. Let's go to  
12 Plaintiff's MIL No. 6.

13 MS. PATEL: Your Honor, may I proceed?

14 THE COURT: You may. Welcome back, Ms. Patel.

15 MS. PATEL: Thank you, Your Honor.

16 With regards to MIL No. 6, what we're seeking  
17 here, Your Honor, is an exclusion order that Defendants do  
18 not suggest to the jury that any uncharted art discloses or  
19 suggests elements of the asserted claims and further  
20 precluding them from using any uncharted art as  
21 demonstratives for the jury or introducing such art as  
22 exhibits.

23 Defendants' invalidity expert, Dr. Acampora,  
24 included in his report an exhaustive list of all of the  
25 references that he -- he grounds his opinions on. It's in

1 Paragraph 161 of his report. And he confirmed further  
2 during his deposition that that was an exhaustive list.

3 The issue here, Your Honor, is that we don't want  
4 the jury to be confused as to what is being treated as  
5 invalidity references and what is not, because Dr. Acampora  
6 also in his -- in his report includes references to various  
7 other art which he claims informs him of the state of the  
8 art at the time, and there's about 15 or 16 other  
9 references, including the Yang reference which we briefed  
10 and also the Magic WAND reference.

11 Even if Defendants say to the jury in some  
12 generalized statement that the prior art references are not  
13 being relied on for invalidity but then put them up for the  
14 jury in large volumes and say here -- here they are, and  
15 this is what they look like, and they look a lot like the  
16 other references that we rely on, that would still require  
17 IV to come up here and provide some sort of rebuttal which  
18 we haven't done because Dr. Acampora has said specifically  
19 that those are not references which he's relying on for  
20 his -- for purposes of anticipation or obviousness.

21 For this reason, Your Honor, we're seeking an  
22 order --

23 THE COURT: Let me hear a response from  
24 Defendants.

25 MS. LADRIERE: Hello, Your Honor. Megan LaDriere

1 for the Defendants.

2 THE COURT: What would be the basis to talk about  
3 uncharted prior art?

4 MS. LADRIERE: So we are not trying to use this to  
5 show invalidity. These two references that they briefed  
6 are simply background references to support Dr. Acampora's  
7 belief of what a POSITA would know at the time.

8 THE COURT: Can you give me something more  
9 specific than --

10 MS. LADRIERE: Absolutely.

11 THE COURT: -- background references?

12 MS. LADRIERE: Yes. So the two references that  
13 they cite to in their briefing, so Yang is the first one.  
14 And Dr. Acampora uses that to support his understanding --  
15 or his opinion that a POSITA would understand that constant  
16 bit rate traffic is jitter-sensitive.

17 And he says in his opinion -- you know, my opinion  
18 is that the POSITA would understand that this -- the  
19 constant bit rate traffic is jitter-sensitive.

20 And Yang, this reference that we're not using to  
21 show invalidity, that that supports my opinion of what a  
22 POSITA would understand.

23 And actually the two cases that IV is relying on  
24 actually carve out an exception for this rule. So that  
25 they're saying that no -- Defendants aren't allowed to rely

1 on uncharted prior art, but they are allowed to rely on it  
2 for background material, state of the art, and establishing  
3 what one of skill in the art would have known at the time  
4 of the invention. That's from the Perdiemco case that they  
5 cited.

6 THE COURT: Well, again, we're back to a point  
7 where what we're talking about is a matter of degree. And  
8 if there's a passing reference when he describes what a  
9 person of ordinary skill in the art would understand this  
10 term to mean in its plain and ordinary meaning --

11 MS. LADRIERE: Uh-huh.

12 THE COURT: -- maybe. But much more than just a  
13 passing reference rapidly gets into the area of possible  
14 jury confusion and improper areas that should not be raised  
15 with uncharted prior art.

16 So, you know, the -- the motion is to exclude any  
17 evidence or argument related to uncharted prior art to  
18 provide for invalidity. And that I can grant without any  
19 question.

20 That doesn't mean in the very narrow circumstance  
21 in passing simply to touch upon as you go through with the  
22 testimony about what a person of ordinary skill in the art  
23 would understand something to mean, you might mention this  
24 reference or that reference.

25 MS. LADRIERE: Uh-huh.

1 THE COURT: It's a matter of use. I mean, if it's  
2 used properly, nobody's going to confuse that as some kind  
3 of invalidating prior art reference and create confusion  
4 with the jury. If you do much more than that, that risk  
5 becomes real, and it rises rapidly.

6 MS. LADRIERE: Understood, Your Honor.

7 THE COURT: So I'm going to grant the MIL. I want  
8 Plaintiffs to understand the very narrow basis upon which I  
9 think what they're talking about doesn't run afoul of the  
10 MIL ruling.

11 But, again, this, like the earlier ones we've  
12 talked about, is a matter of -- of application in real-time  
13 as we go through the testimony before the jury.

14 And if somebody misjudges and miscalculates and  
15 overstates their welcome somewhere such that the other side  
16 thinks they've violated my MIL ruling, bring it to my  
17 attention.

18 And if I agree with them, then I'll grant their  
19 objection and take whatever curative steps I think are  
20 necessary. If they haven't, in my opinion, I'll tell them  
21 that.

22 I can't sit here today and tell you this is okay,  
23 that's not okay. But I can give you some broad-brush  
24 guidance as to -- from a high level what's acceptable and  
25 what's not.

1           And certainly without question, uncharted prior  
2 art should never touch on the invalidity issue whatsoever.  
3 That doesn't mean in a very limited passing context it  
4 might be appropriate elsewhere. But that's pretty narrow.

5           MS. LADRIERE: Absolutely, Your Honor, and that --

6           THE COURT: I think you understand me.

7           MS. LADRIERE: Yes. That's how we intend to use  
8 these references.

9           THE COURT: With that -- with that clarification,  
10 I'm going to grant Plaintiff's MIL No. 6.

11          MS. LADRIERE: Thank you, Your Honor.

12          THE COURT: Let's go on to No. 7.

13          MS. PATEL: Thank you, Your Honor. Actually in  
14 light of the Court's ruling on Defendants' MSJ regarding  
15 the public accessibility of certain prior art references,  
16 IV will be withdrawing MIL No. 7.

17          THE COURT: Okay. Then that's withdrawn.

18          MS. PATEL: Thank you, Your Honor.

19          THE COURT: What about No. 8? Hello, Ms. Henry.

20          MS. HENRY: Good afternoon, Your Honor. Claire  
21 Henry for IV.

22                 IV's Motion in Limine No. 8 is dealing with  
23 keeping out any reference to the fact that a patent claim,  
24 theory, or accused product or functionality in this case  
25 was in the case and is now out of the case, either because

1 it was dropped or because it was ruled on by the Court.

2 I don't believe, based on the briefing and our  
3 meet and confers on this issue, that there is a real  
4 dispute about keeping out the fact that a particular patent  
5 or claim has been dropped for this -- from this case.

6 The real meat of -- of this MIL has to do with how  
7 Defendants want to use semi-persistent scheduling, and I'm  
8 going to take Your Honor way back to the motion to amend  
9 IV's infringement contentions, if you'll recall, that  
10 originally based on the publicly available information --

11 THE COURT: So this is not about the damages case  
12 and the resulting 5/6th of what's left.

13 MS. HENRY: Your Honor, there is a small portion  
14 of Defendants' response to our MIL that brings up that  
15 issue with respect to this. And we can address that, as  
16 well.

17 THE COURT: All right.

18 MS. HENRY: I think the real meat here, it has to  
19 do with some semi-persistent scheduling, and that that is a  
20 little bit of a side issue. So if Your Honor will recall,  
21 originally, Plaintiffs believed that the Defendants  
22 implemented an LTE standard scheduler called a  
23 semi-persistent scheduler. And because of that belief,  
24 IV's infringement contentions and complaint charted  
25 infringement based on semi-persistent scheduling or SPS.



1           After obtaining the confidential information and  
2 the source code from Ericsson, we learned that Ericsson  
3 does not use the standardized semi-persistent scheduling  
4 but has its own proprietary schedule called DBS/SABE and  
5 that that is what they use. We brought a motion to amend  
6 the infringement contentions. That motion was granted over  
7 the Defendants' objections, and we then charted the actual  
8 scheduler in use on the claims.

9           So -- but this motion in limine is meant to say  
10 that the Defendants cannot now say: Well, previously they  
11 accused this semi-persistent scheduling, and now they don't  
12 anymore. That's Issue No. 1. We think that's completely  
13 improper because then it's going to require a side show  
14 that requires us to explain why that -- why we believe they  
15 use it, why we -- why we accused it, why we were allowed to  
16 amend it, why you can have two schedulers that work in  
17 slightly different ways that both infringe the same claims,  
18 and it's going to be very confusing to the jury. We think  
19 it's completely inappropriate.

20           The other issue with respect to semi-persistent  
21 scheduling has to do with even if Defendants don't say they  
22 previously accused semi-persistent scheduling and now they  
23 don't, how can they use semi-persistent scheduling at all?  
24 And here's the problem.

25           Defendants have both in their motion for summary

1 judgment and in their response to this motion in limine  
2 made arguments that make it clear that what they want to do  
3 is equate the patent with semi-persistent scheduling. And  
4 then say because they don't do semi-persistent scheduling,  
5 they don't infringe the patent. And that's completely  
6 inappropriate.

7           It's -- it's a nuanced argument, but it's not that  
8 different from the idea of saying the Defendants cannot say  
9 that the sum and substance of an invention is a single  
10 embodiment of that invention or a commercial embodiment of  
11 that invention. It's creating confusion in the jury's mind  
12 about what is actually at issue in the case.

13           And so it's our position that it would be  
14 completely inappropriate for them to talk about  
15 semi-persistent scheduling and equate that with  
16 infringement in any way, shape, or form or to equate  
17 that -- to equate the fact that they don't rely on  
18 semi-persistent scheduling as some sort of argument of  
19 non-infringement.

20           THE COURT: Is there anything about your Doctrine  
21 of Equivalents claims that would open the door to this  
22 semi-persistent scheduling?

23           MS. HENRY: I don't believe so, Your Honor. I  
24 believe that the argument that the Defendants can make --  
25 and, again, this -- Your Honor is correct, this is a point

1 they raised in their response. They say: Well, you've got  
2 this Doctrine of Equivalents argument, and in order to  
3 rebut it and to say that we're different and that there's a  
4 different response, we have to say we thought  
5 semi-persistent scheduling was somehow inferior to dynamic  
6 scheduling, which is another standardized form of  
7 scheduling. And to be really clear, Ericsson has its own  
8 proprietary scheduler.

9           What they -- that argument that Ericsson raises,  
10 again, requires them to tell the jury or to attempt to tell  
11 the jury that semi-persistent scheduling is the same thing  
12 as the patent.

13           If Ericsson wants to make an argument that says,  
14 we do DBS/SABE, it is different from the patented claims,  
15 we think there is something inferior about what would  
16 result from the patented claims, and, therefore, your  
17 Doctrine of Equivalents argument fails. They can try to do  
18 that.

19           But they can't say that because they personally  
20 think that their product -- that their scheduler is  
21 different from semi-persistent scheduling, which is not the  
22 entirety of these claims, is not an equivalent to these  
23 claims, that that means there's no Doctrine of Equivalents  
24 argument is a legally improper argument, and they shouldn't  
25 be able to make it.

1           And we believe that -- that all of the arguments  
2 they raised in their response with respect to how they want  
3 to use this fall into the same category. It all requires  
4 that you equate the patented claims with semi-persistent  
5 scheduling. That's legally improper.

6           Unless Your Honor has any questions.

7           THE COURT: Let me hear a response from  
8 Defendants.

9           MR. KUBEHL: Your Honor, semi-persistent  
10 scheduling is a different way of scheduling from what's at  
11 issue in this case. Part of the development history story  
12 of what's at issue in this case is the fact that when  
13 Ericsson designed its base station, it looked at  
14 semi-persistent scheduling. It tested it. It compared it  
15 to what it does today. It found it to be inferior.  
16 Specific technical reasons why documents showing that, all  
17 very important and relevant and totally proper to explain  
18 to the jury that there's a different way to do it than what  
19 we do today. It's called SPS. And we chose not to do SPS.  
20 Here's why. We thought this was bad. We thought this was  
21 better.

22           That can all be done without referencing that SPS  
23 was ever asserted in the case or ever dropped from the  
24 case. It has nothing to do with asserting or dropped from  
25 the case. That's important testimony that there's no way

1 that that can be excluded.

2 Now, the issue of it being asserted in the case,  
3 that actually is relevant because while it's not being used  
4 to compare the product to SPS for purposes of  
5 non-infringement, what is relevant is, it is the fact that  
6 SPS does reserve future slots. And it does place packets  
7 in an isochronous manner.

8 And the fact that it was asserted, and not only  
9 just asserted but in the complaint, it -- the Plaintiff  
10 specifically says, yeah, we agree, SPS, that's an example  
11 of something that places things in isochronous manner.  
12 It's a -- it's an example of something that looks into  
13 future frames, so everybody agrees with that, right? So  
14 you've got SPS, and it has these characteristics. That's a  
15 fact that's undisputed.

16 We're doing something that's different than SPS.  
17 We chose not to do that. And that's not a comparison of  
18 two products to show non-infringement. It's an explanation  
19 of one product. One example of what everybody agrees is an  
20 example in LTE of how particular parts of the claims would  
21 be met. They agree, and we agree. And then we've chosen  
22 to do it a different way.

23 Now, does that different way meet the claims?  
24 We'll have to look at the claims and see if it meets the  
25 claims. But it's not seeking to make a comparison between

1 our products and SPS for purposes of non-infringement.

2 THE COURT: All right.

3 MR. KUBEHL: I would like to say there are at  
4 least two issues where the fact that it was asserted and  
5 then dropped, one SPS, the other one with respect to the  
6 '971 patent, there are two instances here where it is  
7 important that -- that we be able to explain that.

8 With respect to SPS being asserted and -- and how  
9 long it was asserted and the process for it to not be  
10 asserted now, that is directly relevant to refute their  
11 willfulness claim. They claim that we are willful  
12 infringers because we received a copy of a complaint that  
13 accused us of infringing by using SPS. That's their  
14 allegation. They say that -- we're willful because of  
15 that.

16 The -- the explanation of what SPS is, why we  
17 think that doesn't infringe -- infringe, how we reacted to  
18 that, and how that is not in the case, that is relevant to  
19 rebut their willfulness case. And that should come in.

20 With respect -- last point on SPS. Your Honor is  
21 absolutely right on the Doctrine of Equivalents.

22 They're saying that looking into the future and  
23 reserving slots is equivalent to not looking into the  
24 future -- I'm sorry, I misspoke.

25 They're saying putting packets in an isochronous

1 manner is equivalent to not doing that, and a comparison of  
2 something that's admitted to do that SPS to our product  
3 which does not do that to show that there are significant  
4 differences, that there's documentation way pre --  
5 pre-dating this lawsuit showing that we believe that that  
6 was an inferior method and wouldn't give you the same  
7 results is a different way of doing very relevant to the  
8 Doctrine of Equivalents analysis.

9           Lastly, on the '971 patent being dismissed, they  
10 made the choice in the case to offer a damages report that  
11 gave a damages number that tied all four patents together.

12           They said the value of these four patents all  
13 together is X. Then they gave another damages report, and  
14 they said, well, 5/6th of the value is for here, and 1/6th  
15 is for this other patent.

16           And we need to be able to explain to the jury that  
17 there once was another patent and now there's not. That's  
18 where this 5/6th and 1/6th comes from. We need to be able  
19 to explore that other patent to cross-examine why was  
20 that -- what did that patent cover, why was it only worth  
21 1/5th, how does it compare to the other ones? That all  
22 becomes relevant because of the theories that they have in  
23 the case on damages.

24           THE COURT: All right. Thank you, Mr. Kubehl.

25           I'm going to grant this motion in limine. I don't

1 want any mention of SPS before the jury or the 5/6th  
2 fraction of a damages case without coming to the bench and  
3 getting leave before you do it.

4 I'm persuaded that while there may be some  
5 legitimate uses, the risk of confusion and the risk of an  
6 improper comparison for non-infringement is pretty high  
7 here, and I'm going to serve as a gatekeeper as the  
8 evidence develops before the jury.

9 And consequently, the parties are not to mention  
10 any product, theory, claim, patent, or other functionality  
11 that's been dropped or dismissed from the case without  
12 leave from the Court, particularly the SPS issue.

13 That's not to say given the circumstances and  
14 perhaps as a part of the rebuttal, the willfulness case,  
15 there may be a basis upon which some of this will be proper  
16 to come in, but I'm going to be a gatekeeper and see that  
17 it comes in only for those purposes I'm persuaded is  
18 legitimate -- are legitimate. So this motion in limine is  
19 granted.

20 MS. HENRY: Thank you, Your Honor.

21 THE COURT: All right. Does that complete all of  
22 Plaintiff's motions in limine?

23 MS. HENRY: It does, Your Honor.

24 THE COURT: Let's move to Defendants'. Motion in  
25 Limine No. 1 still appears to be disputed. Let me hear



1 from the Defendants on this.

2 MS. LADRIERE: Megan LaDriere for the Defendants,  
3 Your Honor.

4 So this motion in limine, we'd ask that IV is not  
5 allowed to present -- prevent -- present evidence or  
6 argument about secondary considerations. As Your Honor  
7 knows, a nexus is required in order to show non-obviousness  
8 here. And it's IV's burden to establish those. And it's  
9 our opinion that IV's expert has only provided conclusory  
10 opinions about this, provided no examples and no evidence  
11 in order to show a sufficient nexus, and we ask that the  
12 Court do not allow them to submit any evidence on secondary  
13 considerations.

14 THE COURT: Why is this anything other than a  
15 Daubert motion disguised as a motion in limine?

16 MS. LADRIERE: Uh-huh. Your Honor, I believe that  
17 because there's no evidence and there's nothing supporting  
18 his example, just his conclusory opinions, we would like  
19 the -- the Court does not allow any evidence or testimony  
20 on it or any argument, and that's why we wanted to present  
21 it as a motion in limine.

22 THE COURT: What's Plaintiff's response?

23 MS. PATEL: Your Honor, may I proceed?

24 THE COURT: Yes.

25 MS. PATEL: Your Honor, the issue of whether there

1 is a sufficient nexus is a factual question for the jury.

2 Defendants are asking the Court to weigh the  
3 sufficiency of the evidence here. And -- and like Your  
4 Honor previously mentioned, this is an issue that is  
5 appropriate for MSJ or for Daubert. That is the proper  
6 vehicle by which they should have brought this motion, but  
7 they chose not to.

8 Defendants don't rely on a single case in which  
9 such evidence was excluded from a trial. Instead, they  
10 rely only on cases on the merits, which is not surprising.

11 THE COURT: Let me -- let me save you some breath,  
12 Ms. Patel. I'm going to deny this motion in limine. The  
13 MIL practice is not a place to back door a summary judgment  
14 motion or a Daubert motion.

15 And I'm not going to in the context of a motion in  
16 limine make an absolute and final determination on a  
17 factual issue about whether there is or isn't a sufficient  
18 nexus. This is not appropriate for limine practice, and  
19 I'm going to deny it.

20 All right. Defendants' No. 2.

21 MS. LADRIERE: Thank you, Your Honor.

22 So No. 2 -- I think this is actually just a minor  
23 issue, and I think the parties are almost in agreement.

24 Generally, neither party intends to offer any  
25 evidence regarding government or regulatory investigations

1 of either other party.

2           The one issue we bring up here is that when we  
3 negotiated this, IV asked that this be reciprocal, and we  
4 agreed to that, but IV noted that there's one piece of  
5 evidence that our damages expert, Dr. Becker, relies on.  
6 It's a study by the Federal Trade Commission that IV  
7 indicated it thought would be included in the scope of this  
8 MIL. And so that's really why that this is not agreed to  
9 because we would like Dr. Becker to be able to rely on this  
10 study. And I can explain what this study is if that'd be  
11 beneficial to Your Honor.

12           THE COURT: Is this particular study something  
13 that could rise to the level of a regulatory investigation?

14           MS. LADRIERE: We don't believe so. It was really  
15 just a survey that the FTC did to certain patent assertion  
16 entities and asked --

17           THE COURT: And it's in Dr. Becker's report?

18           MS. LADRIERE: Yes, sir.

19           THE COURT: Okay. I'm going to grant this motion  
20 in limine, but I'm going to make it mutual as to all  
21 parties. Obviously, given what I've just said, I'm not  
22 going to use this to Daubert a portion of Dr. Becker's  
23 report, and whatever is in his report, hasn't been  
24 challenged by Daubert, stands, and he's permitted to  
25 testify about it --

1 MS. LADRIERE: Thank you, Your Honor.

2 THE COURT: -- notwithstanding the MIL ruling.

3 Let's go to Defendants' No. 3. What's the dispute  
4 here?

5 MR. RUBENSTEIN: Thank you, Your Honor. Jonathan  
6 Rubenstein again.

7 I think this is another situation where there's  
8 more agreement than there -- than there is dispute. The --  
9 the motion in limine has to do with not -- not mentioning  
10 total revenue or -- or, you know, total profit for the  
11 Defendants.

12 And the -- IV seems to largely be in agreement  
13 with that. The risk, of course, is to, you know, show that  
14 they are -- they make a lot of money in revenue. And to  
15 the extent there's any verdict, they may be able to pay it,  
16 and IV seems to agree that they don't intend to do that,  
17 which is good.

18 However, they seem to take issue with -- with two  
19 issues. One, it not being reciprocal; and, two, that the  
20 phrase "or other similar revenue claims" that we see in the  
21 MIL. And in their response, IV says: It seems to be sort  
22 of some back door attempt to preclude IV from putting on  
23 evidence of the value of revenues derived through the  
24 invention.

25 And generally speaking, I don't really have an

1 objection to that, but as Your Honor has alluded to before,  
2 it's sort of -- you know, there's lots of flavors of -- of  
3 that phrase there. It depends how it's characterized. Are  
4 they trying to in -- introduce, for example, subscriber  
5 revenues from T-Mobile that they argue have some tangential  
6 relationship to the technology in the three patents at  
7 issue in the case? That seems very far afield of -- of  
8 something --

9 THE COURT: Let me ask you this, Mr. Rubenstein.  
10 Why shouldn't be this mutual and be granted?

11 MR. RUBENSTEIN: So what you just said at the end  
12 of the last motion in limine actually may take care of that  
13 because some of our concern was some of what Dr. Becker  
14 used in his report about overall views of rates of return  
15 for the funds of this Plaintiff --

16 THE COURT: I'm not -- I'm not going to  
17 circumscribe any expert's testimony that's set out in their  
18 expert report by way of a motion in limine.

19 If it's not proper in the report, it should have  
20 been challenged in a Daubert motion, and the limine  
21 practice is not going to intrude on what's not been  
22 challenged in the Daubert process and is in any expert's  
23 report. That's assuming it's there, obviously.

24 MR. RUBENSTEIN: Right, understood.

25 THE COURT: I'm going to grant this on a mutual

1 basis as to all parties.

2 MR. RUBENSTEIN: Thank you, Your Honor.

3 THE COURT: All right. Let's go on to Defendants'  
4 No. 4.

5 MS. LADRIERE: Your Honor, Defendants are happy to  
6 withdraw No. 4.

7 THE COURT: It is withdrawn.

8 MS. LADRIERE: Thank you.

9 THE COURT: No. 5.

10 MS. LADRIERE: No. 5 was dealt with by Mr. Kubehl.  
11 We handled both No. 5 MILs together.

12 THE COURT: That's right. It's previously been  
13 granted.

14 MS. LADRIERE: No. 6 has been agreed to, and that  
15 was filed with the Court. So this is the last one, No. 7.

16 THE COURT: All right.

17 MS. LADRIERE: So Defendants -- this is a fairly  
18 standard request, Your Honor. This is just that Defendants  
19 ask that any matters to which IV has claimed privilege  
20 cannot be now offered as a shield at trial -- or as a sword  
21 at trial. We're particularly concerned about IV  
22 introducing evidence about certain pre-suit investigations,  
23 and we brought that up with IV during negotiations.

24 Their hesitation was this is too broad. But I  
25 think everyone's in agreement to not bring up any

1 privilege -- any issues at trial that privilege was  
2 asserted before.

3 THE COURT: Well, I often -- I often get motions  
4 in limine that are in effect asking the Court to order the  
5 parties to follow the pre-existing rules that govern the  
6 parties' conduct before the Court. This seems to me to  
7 fall in that what I call follow the rules category.

8 Is there some reason why this needs to be granted  
9 when we have already in place clear protocols for not going  
10 into privilege -- previously asserted privilege matters?

11 MS. LADRIERE: We agree, Your Honor. When we  
12 talked about it with IV, they were hesitant and said that  
13 this was overbroad, and that's why we're presenting it to  
14 you today.

15 THE COURT: Do Plaintiffs have a viewpoint that  
16 might be relevant here?

17 MR. BLACK: We're fine, Your Honor, with -- with  
18 your approach. We understand the rules.

19 THE COURT: Okay. Then this will be denied, and  
20 the existing rules will be applied.

21 All right. That looks like all of the motion in  
22 limine matters that are disputed before the Court.

23 Is anybody aware of anything else relating to  
24 motions in limine the Court hasn't taken up or dealt with?

25 MR. BLACK: No, Your Honor, from Plaintiffs.

1 THE COURT: Okay. That leaves the disputed  
2 exhibits which I hope will be substantially narrowed by the  
3 guidance you've already received today.

4 Are there questions from either party before we  
5 recess for the day, understanding that you'll be back on  
6 the 30th? Of course, if there aren't resulting Daubert  
7 motions from the very targeted and limited supplementation  
8 I've allowed and if you can work out the exhibits between  
9 each other without dispute, you don't have to come back on  
10 the 30th. So let me dangle that carrot in front of  
11 everybody.

12 MR. BLACK: Thank you, Your Honor.

13 THE COURT: Unless -- unless there's something  
14 else, the Court stands in recess.

15 COURT SECURITY OFFICER: All rise.

16 (Hearing concluded.)  
17  
18  
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25



CERTIFICATION

I HEREBY CERTIFY that the foregoing is a true and correct transcript from the stenographic notes of the proceedings in the above-entitled matter to the best of my ability.

/S/ Shelly Holmes  
SHELLY HOLMES, CSR, TCRR  
OFFICIAL REPORTER  
State of Texas No.: 7804  
Expiration Date: 12/31/20

01/14/2019  
Date